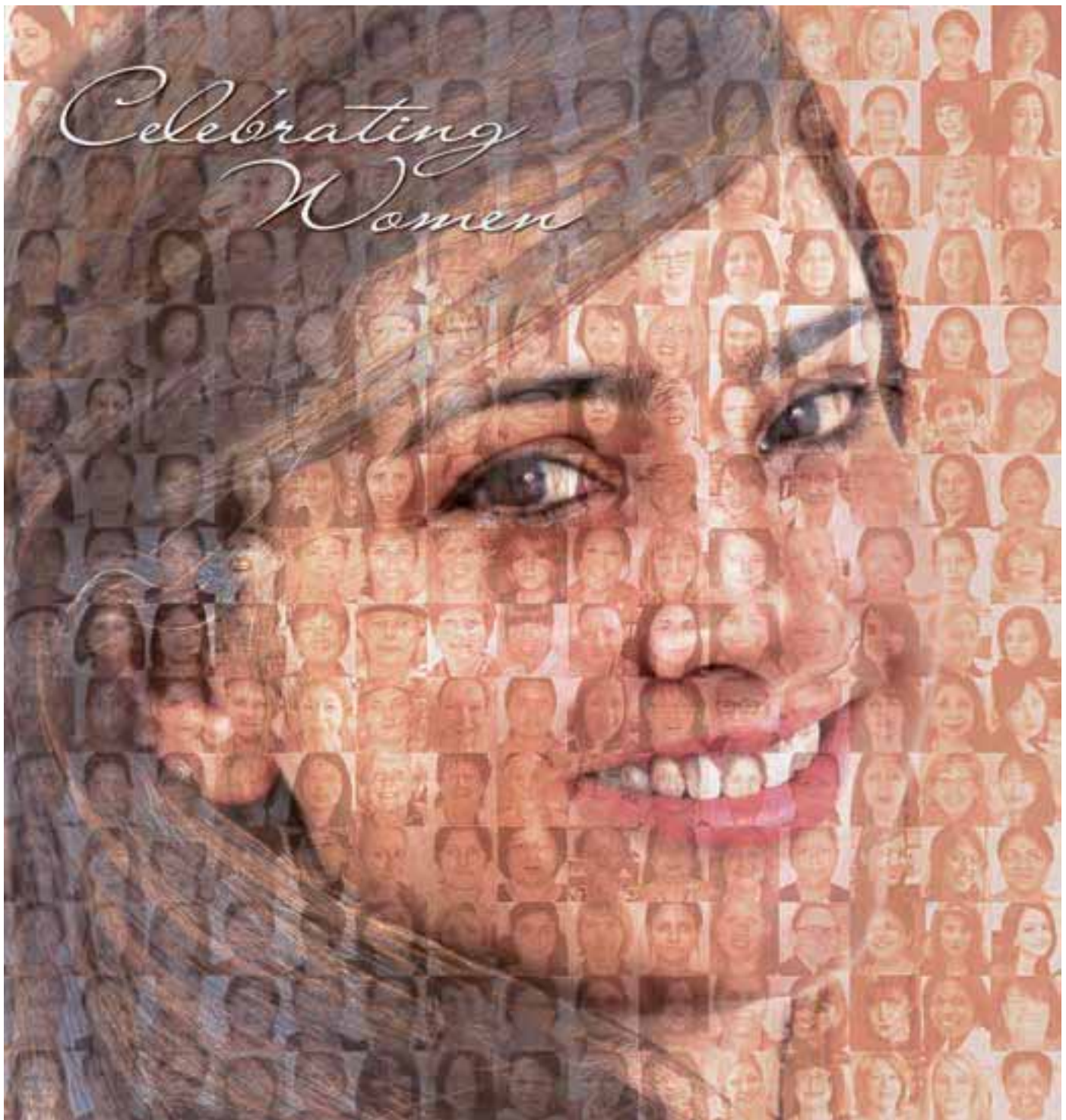




**TATA**

# **TATA GLOBAL BEVERAGES**

Annual report and financial statements 2012-13



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**Tata Tea Limited**, *Thirty Third Annual Report 1995-96*

The theme of this year's annual report has a precedent. The 1995-96 Tata Tea annual report celebrated the unique spirit of the Tata Tea women – their quiet strength, adaptability and workplace commitment – across functions, hierarchies and locations.

## About the Tata Global Beverages Group

In view of (i) the changed business activities of the Tata Global Beverages Group globally (i.e. the shift from tea plantation activities to branded beverages), (ii) the various global acquisitions made by Tata Global Beverages Limited in the recent years, and (iii) the present business focus on growing the branded business across the globe, Tata Global Beverages Limited has also decided to introduce a section in the annual report on the entire Tata Global Beverages Group for the information of its shareholders, in order to provide the shareholders with an overview of the performance of the Group. The Group business review is (i) not intended for the purposes of providing information towards compliance with any legal requirements, (ii) being introduced only for shareholder information, as Tata Global Beverages Limited has direct and indirect interests in the various entities across the globe which constitute part of the Tata Global Beverages Group, and (iii) not intended to be a summary or replacement of the consolidated financial statements or any other information or documents. Details being provided in the consolidated performance review relating to the Tata Global Beverages Group business review are general in nature. Each corporate entity forming part of the Tata Global Beverages Group owns its respective brand and has consented to featuring of its logo, trademark and information in this annual report.





The theme of our annual report this year is **'Celebrating Women!'**

We believe gender diversity is good for business - it leads to richer perspectives, better decision making at all levels of the organisation and a more inclusive work culture. This annual report celebrates the many women behind the successful results and business performance of Tata Global Beverages.

It is intended as a tribute to every woman in the Company and showcases a few representative stories to illustrate the integral part they play in our organisation.

All the photographs on the cover page are of women who work with Tata Global Beverages, its subsidiaries and joint ventures.

## Chairman's Message

### Celebrating women in business – a manifesto for our times

*Dear Shareholders,*

I write to you for the first time as Chairman of Tata Global Beverages Limited, and it is my privilege to address you on a very special and relevant theme. Even as our Company grows from strength to strength, successfully navigating multiple opportunities in natural beverages across four continents, our Annual Report this year focuses on a key segment of our workforce, who have been instrumental in driving such sustained success – the women in our business. We are fortunate to have in our global team several thousand talented, skilled and determined

women. Across areas as diverse as plantations, tea blending rooms, marketing or manufacturing locations, and in our Company's Board Room too, women have contributed very significantly. I thank them for their myriad efforts and contributions.

It is however equally clear to me that in our Company, as well as in most industry sectors across the world, we have a long way to go if we are to truly celebrate women in our businesses. Hillary Rodham Clinton, who most recently served as US Secretary of State, says "Women are the largest untapped reservoir of talent in the world. It is past time for women to take their rightful place, in the rooms where the fates of peoples are decided." Her statement holds a loud ring of truth for companies everywhere.

When women are insufficiently represented in the workplace, we lose out on fifty percent of the talent pool. In an environment where human capital makes all the difference between success and failure, this is

a massive loss which countries and corporates can ill afford. Several research studies have established a strong correlation between GDP growth and empowering women in the workforce. While all of us hunger for faster economic growth, are we giving adequate thought to the subject of appropriate representation of women in the corporate world?

Women bring rich and diverse perspectives to the workplace. Often, they bring management styles which are quite complementary to those of men. Workplaces that celebrate women naturally benefit from better decisions, as a result of such diversity. That alone is reason enough for every Company to put this topic at the forefront of its business and human resources agenda.

Yet it is equally true that many talented women drop out of the workforce in several countries including India, creating a porous pipeline of talent. Therefore, companies need to do much more to retain, develop and grow their women

In Tata companies, we have launched some early initiatives to promote gender diversity. The Tata SCIP (Second Career Internship Program), launched in 2008, is one such instance.

employees. A safe and enabling environment for women employees is mandatory. It is also useful to raise the visibility of women in the workplace, their efforts and achievements, something that this Annual Report attempts to do.

The Tata group is an equal opportunities employer, and showing respect, compassion and humanity for our colleagues and customers is embedded in our value system. We have also launched some specific initiatives to promote gender diversity, for instance the Tata SCIP (Second Career Internship Program), launched in 2008. This is a career transition management program for women professionals who have taken a long break in their working lives, and wish to re-enter the professional space. It provides opportunities for such women to undertake flexi-hour assignments, and thus builds a bridge back to the workplace. This is only a small beginning, and there is much more to be done.

I hope this Report makes all of us think seriously about the need to enlarge and enhance the roles that women play in organisations. In addition to women who are part of our teams today, several hundred million women are expected to enter the global workforce in the next decade, hence there is no doubt in my mind that this subject is both important and urgent.

Women have been and continue to be an integral part of Tata Global Beverages' business, across the world. I look forward to seeing women in important roles and positions of leadership in the years ahead, as our Company grows, prospers and transforms itself. I am also confident that this initiative will be increasingly embraced by other Tata companies in the years to come.

Please join me in celebrating women in our business.

**Cyrus Mistry**  
*Chairman*









## **Women. They drive our business**

Ever so often we come across women who dare to be different. Women, who step out of the mould, pick up the reins and challenge the status quo. At Tata Global Beverages, we are proud to have several women leaders who inspire and encourage. The following pages are only a representative set of the many women who make invaluable contributions to the organisation every single day.





Celebrating the  
**women**  
in our business



## “Every TGB day is different!”

Originally a marketing consultant to TGB Canada, Kathy Grant-Munoz was privy to the fast paced, entrepreneurial culture of the organisation. A challenging competitive environment in Canada and Kathy’s expertise in this field brought her on board in October 2011.

Kathy’s role involves overlooking a plethora of functions ranging from sales management to innovation to advertising development, which means each day is different.

Working with an insight driven and results focused team, Kathy is responsible for reinventing tea in the Canada market, while retaining current loyal Tetley consumers in order to grow the business for the long term.

Last year, Kathy had a chance to visit India for the Tata Innovista competition and previously was selected to attend the Tata Group’s Leadership Seminar. Here, she had the opportunity to interact and learn from Tata leaders around the world.

Her passion spills into her personal life. True to her field, you can hear Kathy advising others to pick up some Tetley tea on their next shopping trip (after all she is in sales and marketing!)

**Kathy Grant-Munoz**, Senior Vice President – Marketing and Sales, Canada, Tata Global Beverages



## “I relish the challenges”

The internationally reputed name attracted Anna Sobocka. With professional qualifications and experience to match, Anna is an integral part of the TGB Poland family handling the finance (statutory and group reporting, controlling, budgeting, taxes), IT, general legal matters, office and car fleet management since early last year.

Handling multiple tasks and continuously improving processes is part of the job but Anna enjoys the challenges that come with her profile, in addition to working with people across functions and countries. She is a team player and her most memorable moments are around her team achieving goals and overcoming obstacles including design and implementation of processes, policies and tools.

**Anna Sobocka**, Finance Director, Poland, Tata Global Beverages





Celebrating the  
**women**  
in our business

## “Who wouldn’t want to work with the best tea buying and blending team in the world?!”

Everything Katy has learnt about tea, she has learnt with TGB. Starting out as a trainee tea taster 30 years ago, Katy Tubb is a respected veteran in the global tea scene. Currently, she is the Director of Tea Buying & Blending in TGB.

With over 60 blends under her watch, Katy is in charge of ensuring that consumers get the taste they love and expect every time so maintaining the quality of each blend, despite environmental conditions, is an everyday challenge.

Her love for tea and the products the Company sells is what makes Katy’s days here seldom dull. There is always a new challenge, something new to learn or something to improve upon. She has been able to use her expertise to make a difference both within the business as well as within the wider Tea Trade. Over the years, Katy has been involved with projects of all sorts and is fortunate to work with many different colleagues based in different parts of the world.

The people in the company have provided Katy with some of her most memorable moments. She also loves that TGB takes the training of its tea tasters very seriously and has a long established and well developed training programme - something that has ensured that our training in Tea Buying & Blending is among the best in the world!

**Katy Tubb**, Director, Tea Buying & Blending, Tata Global Beverages



“My superiors made things possible.”

What made Jennifer Hart come back to TGB after 2 stints away? A great team of people and the varied challenges she gets to engage in each day.

Jennifer’s day involves addressing the ongoing legal needs of the company while simultaneously trying to implement best practices for internal procedures and practices of the Company. She has built the CAA region’s legal department in a fairly autonomous fashion with support from senior management. This is something she acknowledges as vital coupled with being given the flexibility to regularly participate in outside legal training seminars and doing pro bono legal work.

She is pleased to work for a company that focuses on being a good corporate citizen and has the potential to grow significantly.

**Jennifer Hart**, General Counsel – CAA (Canada, America, Australia Region), Tata Global Beverages







Celebrating the  
**women**  
in our business

## “Never any job fatigue”

**E**ight o'clock Coffee is lucky to have Margaret Campbell as the Director of its Operations.

With previous managerial experience in Tetley, UK, Margaret has had the opportunity to work in a number of different roles and locations enabling her to broaden her management skills and experience different cultures.

Margaret's role is dynamic; one bereft of constant repetition and brimming with opportunities to learn new processes and products especially with the advent of coffee in her portfolio a few years ago.

She opines that TGB is the place to be if you are looking for a company that is ambitious, full of opportunities and where hard work does not go unrecognised.

**Margaret Campbell**, Director of Plant Operations, Landover Factory, USA



## “A uniquely supportive office.”

**N**ew brands, new geographies & new roles.

Amy Holdsworth enjoys these challenges; and she credits the uniquely supportive environment that TGB fosters.

Amy's role engages with all parts of the business, including operations, supply and support, and particularly with R&D, insight and sales.

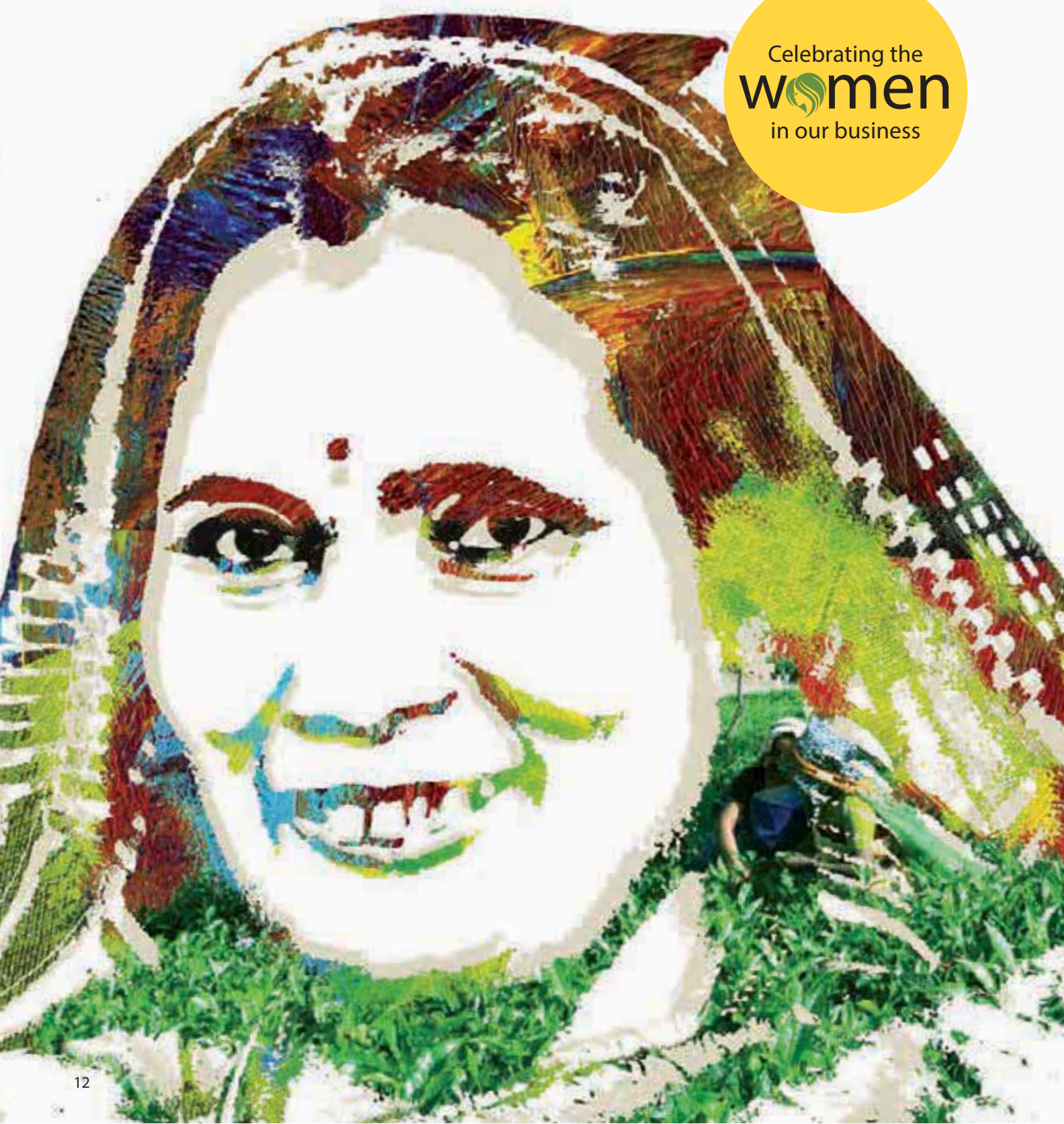
Juggling it all, and juggling it with 2 young kids at home too, Amy feels a marketer's job is never done – there is always the next product to launch, the next campaign to develop, the next competitive attack to defend against... Further, there is the need to review and learn from the past and keep abreast with businesses and brands. Amy is always working to ensure we are continually learning and delivering better results the next time.

**Amy Holdsworth**, Marketing Director, UK & Ireland, Tata Global Beverages





Celebrating the  
**women**  
in our business







## “The team always before the self.”

This is one story of where hard work can get you.

Pappa is a tea plucker in Kadugumudi division of Gundumallay Estate in Munnar, belonging to KDHP, one of the world’s largest participatory management companies and an associate company of Tata Global Beverages Ltd. She studied till the fourth grade, became a mother of three and gained permanent employment as a field mazdoor 20 years ago. Little did she imagine that she would one day sit alongside the higher ranks and top management of the company, discussing its performance and strategic plans.

Her commitment is commendable. On days when the crop is high, she starts work 2 hours earlier, at 6:00 am, to make best use of the present favourable conditions.

Her appointment as Employee Director of the Company for the season 2012/2013 was in recognition of her outstanding work performance during the previous season. Pappa, harvested 29179 kgs of green leaf, with an average productivity of 109 kgs per day and being present for work for 97% of the working days. She also proudly recalls the day when she harvested 362 kgs, an achievement which is unparalleled.

Life and work as a tea plantation worker is tough and physically demanding but Pappa is grateful to the company for the performance based incentives and all the welfare measures implemented by the company for its employees. It has helped them to maximize their efforts, enhanced their earnings and improved their standard of living.

Without sparing a thought, Pappa says that the most joyous occasion in life was the moment her estate manager informed her about her nomination as the Employee Director of the Company. Her dedication to work and the Company, is evident when she also said that she is proud of being a member of the plucking gang of her division when it achieved a record breaking plucker productivity of 458 kgs in a day! Indeed a mind boggling achievement.

**Pappa**, Employee Director, KDHP (Kanan Devan Hills Plantations Company)

“I was asked by the Board to set up the Coffee & Tea Tourism project, expand it.”

Her association with the Tata Group goes back over three decades.

Christine’s most recent role was Vice President- Corporate of Tata Coffee. She held a wide range of responsibilities including growing the hospitality division of Tata Coffee under the brand of Plantation Trails. She was also the process owner for Corporate Social Responsibility for Tata Coffee as well as the Chief Ethics Counsellor. Christine has many cherished moments and achievements such as Tata Coffee crossing the 500 mark in the TBEM (Tata Business Excellence Model) External Assessment and setting up Plantation Trails.

She began her career at The Taj Mahal Hotel in Mumbai in 1975 at the Front Office after graduating from the Institute for Hotel Management Catering and Nutrition, New Delhi. Since then Christine has served the TAJ group in various capacities across India & abroad.

**Christine Jamal**, Consultant – Hospitality Division, Tata Coffee Limited





Celebrating the  
**women**  
in our business

## The youngest Group CEO in just a little over a decade.

**W**e are proud to have the youngest CEO in the Tata Group under the TGB umbrella.

Avani started her career as a Tata Administrative Service (TAS) probationer in 2002. Most recently, she worked in the Vice Chairman's office for Tata Global Beverages, where she played a pivotal role in the development of the joint venture relationship between Tata Global Beverages and Starbucks in preparation for entry of Tata Starbucks into the Indian market.

The joint venture is bringing the premium Starbucks Experience to Indian consumers along with the trust and reliability of the Tata name. It saw a truly iconic international coffee brand partner with the 2nd largest tea company in the world to share a strong heritage in and passion for beverages, and to helm this required someone of Avani's caliber.

Not surprisingly, Avani says her most cherished moment at work was the opening of the first Starbucks store in India, situated in the historic sandstone Elphinstone building at the Horniman Circle, Mumbai.

Avani enjoys her role for the diverse experience it offers and feels it provides a wonderful platform for growth.

**Avani Davda**, CEO, Tata Starbucks Limited



**"I extend the company's rural welfare programme."**

**D**r Kavery Nambisan joined Tata Tea in 1998 as Deputy Chief Medical Officer with a passion to work as a surgeon in rural areas. She had heard about the welfare activities of the Tata group and felt she could contribute.

Now she holds a position of responsibility which oversees the work in Coorg and Anamallais. This involves leading a team of six doctors and over 80 paramedical staff in Coorg and an equal number in Anamallais. Along with the daily operations of the hospital, she is specially focused on improving healthcare standards with the help of a team that needs to be constantly up to date in their field.

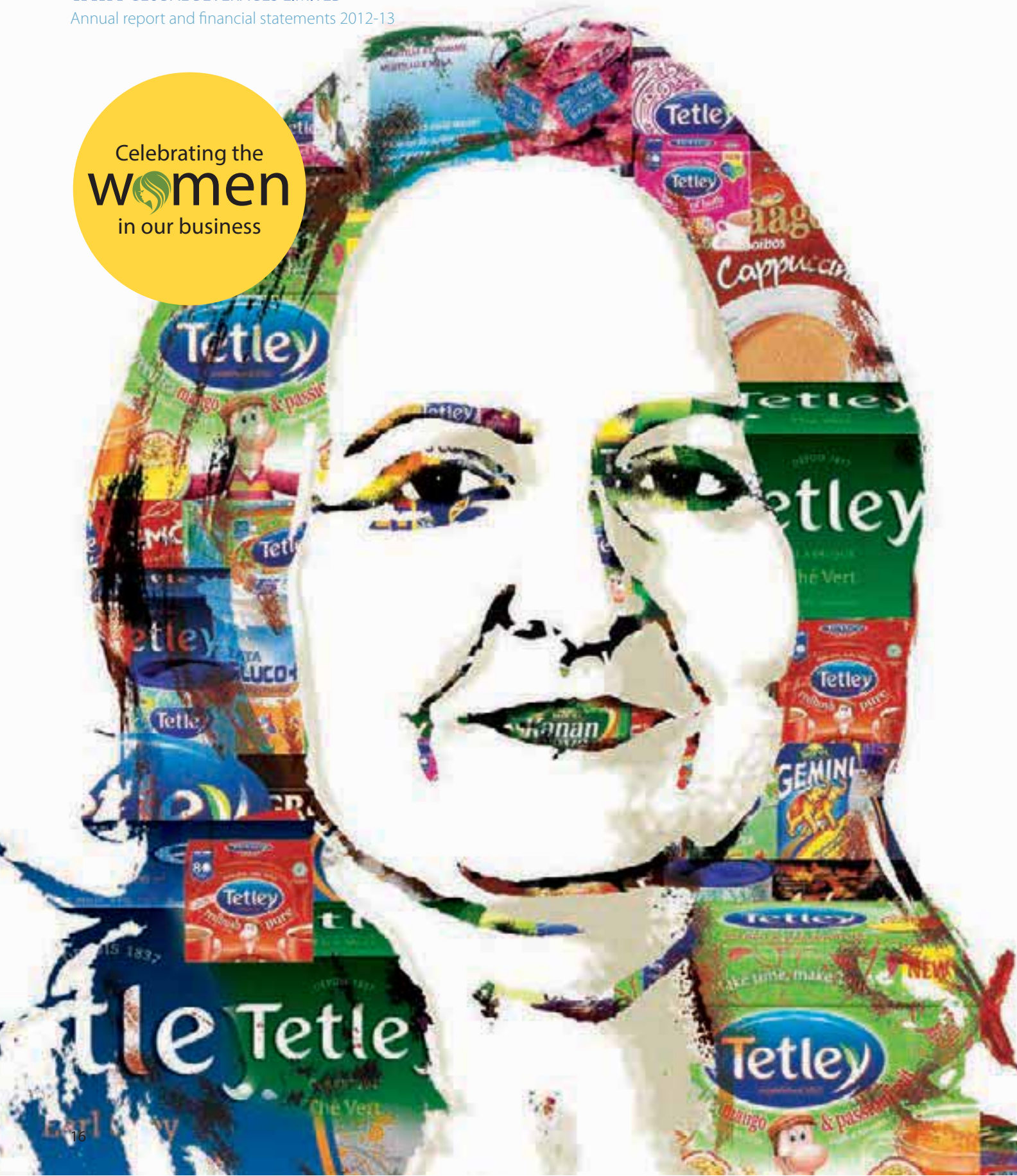
Kavery is also a prominent novelist and essayist. She is a regular contributor to the national media on literature and healthcare issues.

**Dr Kavery Nambisan**,  
Chief Medical Officer, Tata Coffee Limited





Celebrating the  
**women**  
in our business



## “I work with a team of 12 based out of three geographies.”

**22** years, 8 roles, 1 company. That sums up Suzanne’s professional life.

Her latest move was in February 2013 as HR Director of EMEA. This role requires her to coordinate a team of 12 based in 3 geographies to deliver HR strategy across the EMEA region.

The variety, complexity and ever changing challenges ensure there is never a dull moment at work. Suzanne also thrives on working in partnership with her business stakeholders.

The breadth of responsibility and accountability, an accessible leadership, the size of business that allows good performers to stand out and a passionate workforce have presented Suzanne with development opportunities on a global scale.

**Suzanne Watts**, HR Director EMEA (Europe, Middle East & Africa region), Tata Global Beverages



## “I stayed on for the service spirit and ethical standard.”

The spirit of service to the community and the high ethical standards of the company have made Dr. Mercy David stay with us for more than 26 years. This 2 time Gold medalist in clinical surgery initially joined as Chief Medical Officer followed by a promotion to Joint Director - Obstetrics & Gynecological Services in 2003. Her role is to offer the best maternal health care and gynecological services to the women in remote hills of the high range in Kerala.

Dr. Mercy’s ability to effectively manage any emergency situation during patient care resulted in her receiving the Tata Tea excellence award for outstanding performance during the year 1999 – 2000.

**Dr. Mercy David**, Joint Director - Obstetrics & Gynaecological Services, General Hospital, Munnar





Our business

## Celebrating the women in our business

### “I define and lead the HR strategy”

As the HR Head for NourishCo, Kanchan leads the HR and General administration function for the business. Her role requires her to define and lead the HR strategy and HR operations in line with business needs.

Kanchan has been with PepsiCo India for almost 9 years and with NourishCo for the last 2 years. She found the promise of a JV between PepsiCo and Tata Global Beverages very exciting; the challenge of setting up a new business and building it step by step was one she couldn't refuse. She loves her job for the opportunity it offers to create a great employer brand backed by a unique culture, empowerment and the flexibility that has enabled her to effectively manage her personal life with 2 young children at home.

She fondly remembers the day the team began working together in their new office with a puja, the launch of Tata Gluco Plus and Tata Water Plus in key markets and NourishCo's first press mention.

**Kanchan Chehal**, HR Head, NourishCo (a JV between Tata Global Beverages and PepsiCo)



### “It is like we own the Company.”

A recent entrant to the TGB family, Irina is tasked with driving TGB's efforts in Russia; an uphill task that would deter many. But Irina found in it an opportunity to make a difference by harnessing her leadership skills in order to reach the ambitious targets set by the Company.

The difficult economic conditions and position of Grand Coffee in the market have only motivated Irina who says she feels proud to work with the leading company globally in 'good-for-you beverages' and is excited by the prospects of TGB's opportunities in the Russian beverage market.

**Irina Cherepakhina**, Marketing Director, Russia, Tata Global Beverages



### “At Aranya which is a TGB project, we rehabilitate disabled youngsters.”

Each day is an excitement and experiment for Victoria Vijaykumar who has been around since the inception of Aranya 19 years ago, after a project with 4 differently-abled youth yielded promising results. Today the Aranya unit is 35 members strong.

Learning and training is part of Victoria's everyday duty where she is tasked with motivating youngsters to design, innovate and use their imagination. But often, she has the opportunity to learn from them too. Despite the lack of an in-house designer, the Aranya unit has been successful in meeting the needs of the global market.

Victoria's love for her work and those she teaches reflects in her proudest moment when one of her young pupils, shibori artist Arumugham, received the Excellence Award for Innovation from Tata Tea Limited, in 2007 for creating a new shibori tie and dye technique which has been named Aru Shibori after its creator.

**Victoria Vijaykumar**, Programme coordinator of Aranya (natural dyeing unit) and Srishti (community social welfare centre), Munnar



**“My role offers me a unique opportunity to expand beyond financial reporting.”**

Variety attracted Josie Culbert to take up a position in TGB 8 years ago. It was a chance to expand beyond financial reporting into supply chain management and new business development, including new products, channels and geographies. Maintaining work-life balance and managing cross cultural challenges are made easy in the fast-paced yet accommodating environment offered here, feels Josie.

When launching RTD (Ready to drink) Iced Tea, Josie worked with UK operations to identify and establish the supply chain for manufacturing the product within Canada. She credits the Company with providing the support that allowed her to build the necessary skills to excel in this area.

Josie’s work has taken her around the world and she has experienced different cultures that have helped her further develop both personally and professionally.

**Josie Culbert**, Vice President-Finance, Supply and Administration, Canada & Australia, Tata Global Beverages



**“We provide affordable quality education.”**

Akshara Vidyashram is a nursery and primary school that provides quality education to all sections of society particularly to the underprivileged. This CSR project of Tata Coffee Ltd., now recognised by the Government of Tamil Nadu, was established seven years ago.

Leading it is Navjeet Walia. Wife of an employee in the plantation division of Anamallais, Navjeet was drawn to the social outlook of the organisation and the concern it demonstrated for its people and community.

Navjeet is invigorated by the opportunity to educate children from all strata of society by imparting affordable quality education and holistic development despite the challenges that come with moulding young minds and keeping the school running as a successful self-financing unit.

**Navjeet Walia**, Head of Akshara Vidyashram , a CSR initiative of Tata Coffee Limited



**“I cherish each day here.”**

Every time a TGB product enters the Poland market, you can be sure Anna Kowalska has a hand in it.

A Marketing Director for Poland, Baltics & Czech Republic, Anna joined TGB Polska to increase business development using her experience especially in the area of consumer insight, marketing and process improvement. Under her leadership, the team has developed and successfully introduced many processes and tools to address the business challenges of TGB Polska.

She and her team have completed major re-launches of the Tetley and Vitax portfolio in Poland over the last year. Anna takes pride in being a part of a highly responsive organisation and finds being involved in cross-functional cross country projects with the help of supportive colleagues, the best part of her job.

**Anna Kowalska**, Marketing Director, Poland, Baltics & Czech Republic, Tata Global Beverages





Our business

## Celebrating the women in our business

continued

**"I started my career with TGB, left and returned."**

Samantha recently re-joined TGB to head the sales for Himalayan Mineral water. What brought her back after her four year stint with beverage giant Coca Cola was her continued love and respect for the Tata value system and culture and the faith the Company had in her to lead the sales efforts of a brand with immense potential nationally and internationally.

Samantha benefits from the challenging atmosphere at work. In the recent past, Himalayan has tied up with chains such as Barista, Costa Coffee, Starbucks, Sterling Resorts, Courtyard Marriot and Gloria Jean's Coffee to name a few. She has been tasked with changing the current business dynamics and to take Himalayan to new heights which albeit an uphill task, Samantha feels is an exhilarating one.

**Samantha Dutta**, National Sales Head, Himalayan mineral water business



**"Passionate about making a difference!"**

Nupur rejoined the Tata group this year, as Strategy & Planning Director for Tata Global Beverages to build on the Strategy and Planning requirements for the company and support its sustainable and profitable growth agenda. She started her career as a Tata Administrative Services trainee and worked with the Group for nearly 12 years.

Nupur is a Chartered Accountant with a PGDBM from IIM (Ahmedabad); a recipient of the Fulbright Fellowship for Leadership in Management USA, a CII British Chevening Scholar, UK and has won the President of India's Award for Academic Excellence.

Nupur thrives on the cultural diversity of the organisation and the significant empowerment given to co-create a shared and sustainable future for TGB.

Nupur has actively volunteered on a number of CSR initiatives in India and outside India.

**Nupur Roy Choudhury**, Strategy & Planning Director, Tata Global Beverages



**"I'm proud to be a part of this global organisation."**

This is the story of a consultant who came to work on a project to integrate Eight O'clock, Tetley and Good Earth - and stayed back.

When a full-time opportunity emerged, Liesel liked the TGB environment so much that she moved from consultant to employee.

Liesel revels in the experience of working with people across different countries and cultures and is proud to be a part of a large organisation on its way to become a global leader in 'good for you' beverages.

**Liesel Bell**, Vice President Human Resources, CAA (Canada, America & Australia region), Tata Global Beverages





## My Story

I am tea.  
And I am a woman  
in the world of TGB.  
Read my story.



My story begins here. Among hills, valleys and tropical lands. I have wandered through sun-kissed slopes and rainy hills. I rejoice in the strength of the soil under my feet and the whisper of the wind on my face. I am at home in manicured gardens as well as tangled bushes. I've glimpsed the mountain peaks and seen their depths. I am a leaf, a berry, a water drop. Delicate and yet strong. I wear mellow green as well as vibrant red. And sometimes all the colours of nature pass through me - sparkling, rippling, still. I am a mirror, come and look in. I take in the soil, the rain and I grow. I see change dance through the seasons and change is happening to me now.

*"On normal days, I start plucking half an hour early. During peak seasons, I start work before 6 am. I carry my lunch with me to the fields to save time, so that I can concentrate on my work. Since I'm good at my work, I get a plucking incentive regularly. I've worked here for 14 years and I feel I'm well taken care of."*

**- K Mariamma**, Tea Plucker,  
Pullivasal Estate, Munnar, Tata  
Global Beverages



Can the spirit of a thing be distilled, concentrated, focused? I think it can be - in the right hands, in the right way, with the right people. Here, I am happy to change shape and form. Watch me now... do you know who I am? I wither, break and ferment to become what I was born to be. Lying on trays and troughs, hot air transforms me. I change colours - green to golden russet to black. I sift through meshes, watch my weight on weighing scales. Am I what you saw on that hill on your morning walk? Am I what you brushed past? Think about it, while I move on.

*"I've worked with Tata Global Beverages for 17 years. A typical day for me can cover a lot of different things from writing training manuals to training employees on manual handling in the production hall. The two most important things I've learnt here are to treat people the way you would like to be treated and the importance of health & safety. I don't think you could find a better place of employment, I feel things are changing for the better."*

**- Maureen Hall**, Team  
Coordinator in the Production  
Hall at Eaglescliffe factory, UK, Tata  
Global Beverages







There are multitudes within me, mysteries waiting to be solved. They start getting woven here, a tapestry of riddles- flavour, aroma, colour, coming together to form a blend that is uniquely me. There are hundreds of combinations possible but only a few that are right. I listen to the lexicon used to describe me- brisk, bright, flowery, fruity, smooth. The words swirl around and stir memories in me, of the places where I grew up. It is tantalising isn't it to have so many tasty riddles humming against your tongue? And yet they get it right, every time- they blend me perfectly, they complete me.

*"My day starts with a nice big cup of strong, milky tea. I then begin tasting teas from different regions around the world- Kenya, India, Indonesia and Sri Lanka to name a few. Each blend has a unique taste profile and requires a different combination of teas, so I select and blend the teas.*

*Tasting tea - that's the thing I enjoy most about my job, and to be successful at it, you must have a real passion for tea!"*

**- Joyce Muendo**, Tea Taster, UK, Tata Global Beverages



There are so many things I could be. But who do I want to be? I try different identities, sophisticated one moment, playful the next. I can sit by you in your living room, I like that worn out comfortable sofa. Or the next time you have friends over, reach out for me and I'll make the evening more fun. I'm there at most of your holidays and I'm there at your office meetings too. It all depends on who you want me to be! After all, what's life without variety? Go on, make some time, change your perspective and watch your world open up.

*"I joined the Company for the unique opportunity it offered to work for a category leading brand in a small, entrepreneurial environment. The aggressive growth agenda of the Company was also a major draw as it seeks to expand its global presence. I enjoy the opportunity to work on a variety of innovation projects with the objective of growing the business beyond its core products in the Canadian market. I also enjoy the challenge of launching brands from the existing global portfolio into Canada."*

**- Andrea Stodart**, Brand Manager, Canada, Tata Global Beverages



Where can you find me? You'll see me at the corner store and in supermarket aisles. I laugh as you search for your shopping list. You've forgotten it again, haven't you? Sometimes you stop at just the right spot, spotting me without any effort. Moving your shopping cart forward, filling your shopping bag, in a hurry to go home. And then there are other days when you revel in the sheer variety that you see before you. You pause; you frown absent-mindedly and sometimes a smile escapes. Take your time, you deserve it. You'll find me in restaurants too; just ask for me. Remember the other day, when you took a walk in the evening and stepped into your favourite café. It didn't take you long to find me, you do know where to look.

*"When I go shopping and I see yet another customer carrying our Jemca brand in his shopping cart, I feel proud! I've learnt many interesting things about tea since working here. I now look at things in a European as well as a global context. I love to see the results of teamwork in my job. I believe a good sales manager should be empathetic and yet objective."*

**- Petra Vaverkova**, Sales Manager, Czech Republic, Tata Global Beverages





And now that you've found me, what is it that I can do? I am with you right through your day. You hold me in your hands, savouring the early morning- a moment of calm before your routine starts. You reach out for me at the office, in the midst of your chores at home, a pick-me-up moment in the midst of a busy day. You gaze at me as you think over a difficult problem. I see your forehead wrinkle in concentration- a moment of focus. I'm there in the evening when you share a joke with your friends, when you spend time with your family- a moment of relaxation. I'm there when you take that trek, when you come back from your walk- a moment of refreshment. Did you realise your day is made up of so many magical moments? Moments of joy, conversation, laughter, relaxation, refreshment, introspection and stimulation. I am with you in these moments and I help create those moments. Need I say more?

*"Tata Tea is the only tea brand my parents have drunk. The flavour is just right – neither too strong nor too mild. There's no need to boil it too much for getting the colour or the flavour. It's ideal to have around when guests come. More than that, it has helped enhance my reputation as a great tea maker. I wouldn't risk trying any other brand!"*

**- Tultuli Banerjee**, a long time Tata Tea consumer

*"Tata Tea Gold is what tea should be like – good colour, nice smell, pleasant flavour. After years of living with Tata Tea Gold, no other brand will do. One feels that something is wrong in everything if we even as much as switch to another brand for just a cup. It isn't a brand; it is an obsession."*

**- Jhuma Ghoshdastidar**, Tata Tea Gold consumer



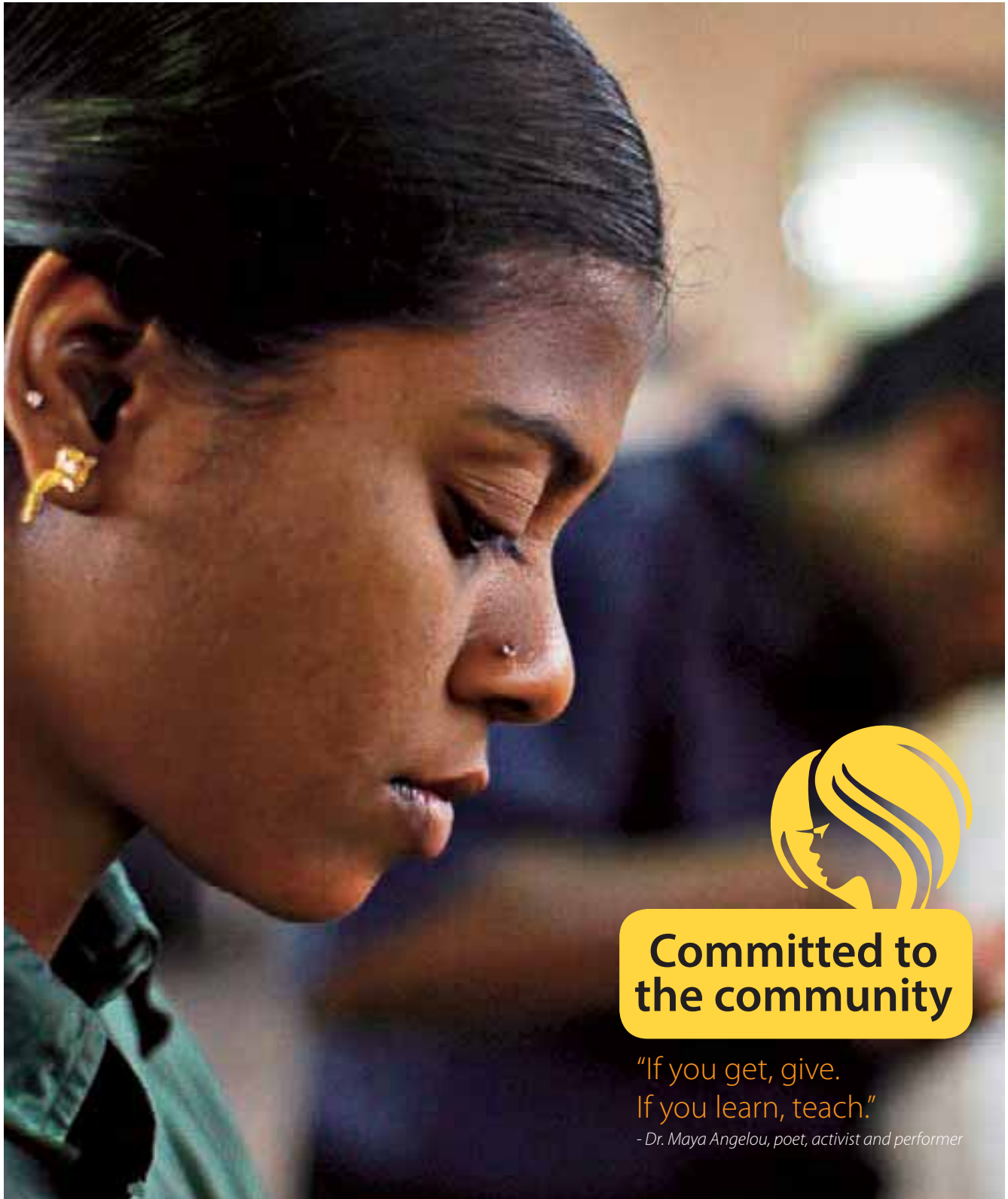
My story is one of transformation, a journey from the lap of nature to being an integral part of your day. My story is about creating value- for myself and for so many others along the way. My story is not just mine; it's also about the people who make me who I am. And together we've built something that will endure, that will stand the test of time.

*"I belong to Millennium Mams, a Kolkata-based initiative to enhance financial literacy among women. Our education began with the Economic Times, following which we graduated to reading annual reports of companies and eventually to the point where 16 of us attended the Berkshire Hathaway AGM in 2012. We were inspired enough to start the Buffet Club in Kolkata. I have been tracking the TGB stock for a decade and feel that it fits the Buffet category. The management possesses integrity, the company owns prominent brands and the footprint is global. We regularly attend its AGM asking questions of the management."*

**- Sireesha Kadiyala**, shareholder of Tata Global Beverages Limited







**Committed to  
the community**

*"If you get, give.  
If you learn, teach."*

*- Dr. Maya Angelou, poet, activist and performer*



Tata Global Beverages has always believed in giving back to community. And we've been fortunate to have the opportunity to positively impact the lives of many. Many of those who have been touched by our community initiatives are women. It has been our privilege to work with them and help them on their journeys.

**"Scholarships making dreams come true"**

The Re-imagination scholarships are part of our commitment to social mobility and encouraging fair access to education. We've partnered with Brunel University in the UK for the second year running to award these scholarships. The scholarships were awarded to eight students studying at Brunel University who have taken part in its Urban Scholars Programme - an intervention scheme to raise the aspirations of young people, many of whom have faced challenging circumstances in their lives. Half of the scholarship awardees were women. Melika Morrison- Mills, the winner of the main scholarship award says,

*"The past few years at university have been my biggest challenge. I made fantastic progress at A-level and thought this would follow through till now. Although in school and during my 6<sup>th</sup> form I received rewards for my achievement, this is very special as it makes it possible for me to focus more on my studies. I would like to thank Tata Global Beverages for reminding me that I am an achiever and that all things are possible, even when the going gets tough."*

**Melika Morrison-Mills**, Recipient of the Tata Global Beverages Re-imagination scholarships in Brunel University, London

**"I was born differently-abled; TGB made me whole."**

Started in 1994 under the umbrella of the Srishti Welfare Centre in Munnar, the Aranya unit was established to introduce a fresh dimension in the lives of the differently-abled with the objective of reviving the ancient art of natural dye which is non-toxic and eco-friendly. Palmathy, a differently-abled employee, has benefitted from the opportunities given at Aranya which go beyond the block printing, *shibori* tie-and-dye, *batik* and more, taught at the unit.

*"I was born differently; TGB made me whole. TGB trained me in the production of natural dyes, new colours, designs and printing paste. My special moment was when I boarded the flight to attend the natural dye workshop in Kolkata and when the Company arranged for my free heart operation at the Amritanandamayi Institute of Medical Science (Kochi). Thanks to TGB, I am bouncing today in more senses than one."*

**Palmathy**, Floor Supervisor, Aranya Natural, Srishti Welfare Centre, Munnar





**“Persistently benefiting the marginalised.”**

TGB’s innovative ‘Gaon Chalo’ programme is the last mile in rural distribution. It is an opportunity, responsibility and a challenge which while tapping unreached rural markets also provides a means of sustainable livelihood to women and struggling small entrepreneurs. This programme, run through NGOs, is present in many states in India and benefits a number of women.

BETI Foundation, based in Uttar Pradesh, India, is a civil society organisation that addresses women empowerment, girls’ education and equity concerns for pursuing sustainable development with an egalitarian face. RUBAROO, a unit associated to BETI Foundation has benefitted from Gaon Chalo as the organisation has been able to reach the poor and marginalised with higher intensity and the additional income earned by the organization has been redeployed for the benefit of the marginalised in the rural parts of the country.

Sehba Hussain has spent her entire professional life working on child development. She has been an international Civil servant for 18 years when she worked with UNICEF.

*“For me, as the head of the organisation, being involved in this Project helps me to make constant effort to reach higher and to dream beautiful dreams for children of the poor and marginalised, thereby actualising everyday my motto - ‘Receive to Give’. Our grateful thanks to the Tata Group for this opportunity.”*

**Sehba Hussain**, Founder Trustee, Current Member Secretary and Executive Director, BETI (Better Education Through Innovation) Foundation



**Through scholarship to tank technology.**

The High Range School in Munnar was established for the benefit of employees’ children at no cost. The objective of moulding young minds through a well rounded high-quality education that ensures global preparedness have led many alumni to hold significant posts in leading companies while others pursue higher education in prestigious colleges. Selvathai, is one such example. A product of the High Range school and daughter of tea pluckers employed by Tata Tea, Selvathai was supported by the Company in her further studies as she went on to make a mark in the Defence sector.

*“My parents were field workers in Gudareale Estate of Tata Tea Limited. TGB has financially supported me through my schooling at The High Range School in Munnar. When it was time for me to move to college, TGB provided me with a scholarship to pursue a B.Tech course at Mar Athanasius College of Engineering, Kothamangalam. This support helped me excel and move on to join the country’s Defence sector as a scientist. Now I have been selected by DRDO for a two year course on Military Tank Technology at Royal Military College, UK.”*

**Selvathai T.**, Scientist, Combat Vehicles Research & Development, Defence Research & Development Organisation (DRDO), Ministry of Defence, Chennai



## Social measures of TGB



### Exnora

Nourishco (TGB's joint venture with PepsiCo.) and TGB are engaged with an NGO called EXNORA, in the semi-urban and rural areas of Chennai, to manufacture value-added products out of discarded street plastic waste, benefiting the community and the city while making an initial attempt in managing plastic waste from the environmental perspective. Out of the 525 Green Ambassadors, 80% are women; of the 120 middle-level supervisors/officers monitoring the project, 50% are women.

### Vocational training

Tata Coffee Limited implemented a vocational training programme for underprivileged women at Jayamangalam village in collaboration with an NGO called Society for Rural and Environment Development. The Company has resolved to produce 500 entrepreneurs across tailoring-cum-garment making, soft toy/ handicraft manufacture and candle making.

### Overcoming nutritional challenges

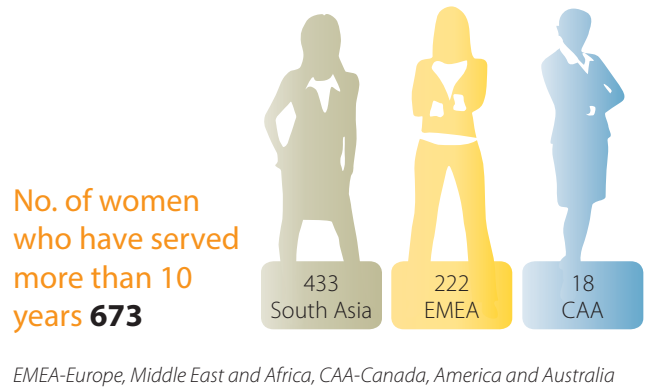
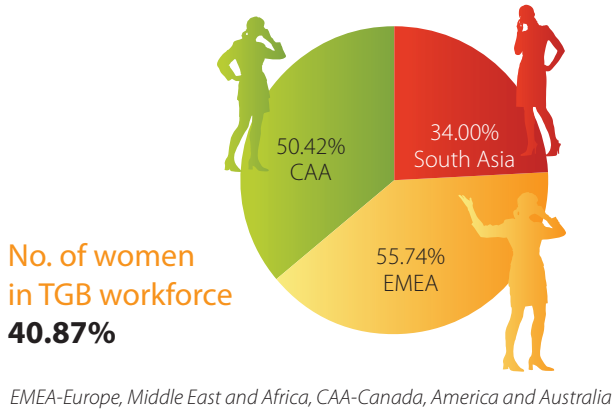
A survey in Jayamangalam and Vaigaipudur villages in Tamil Nadu revealed a skewed gender ratio and malnutrition in girl children (ages 11 to 14). Tata Coffee Limited's focused programme, covering 547 adolescent girls from two villages, revealed that 469 children (87%) suffered from low nutrition. The Company responded with a supplementary diet (following necessary approvals from the state authority) that helped increase nutrition levels in the girl children.

### Rainforest Alliance

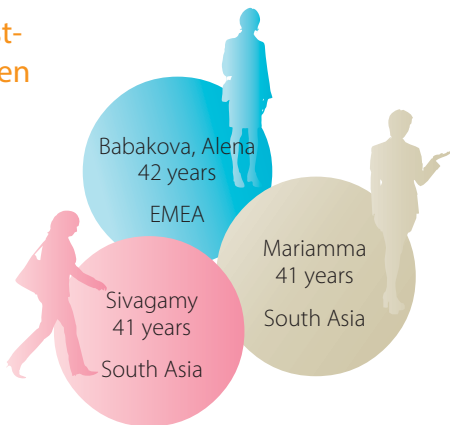
At TGB we are always working to make sure our tea improves the lives of the people who grow and pick it just as much as the people who drink it. That's why we are working with the Rainforest Alliance to improve the way tea estates are managed for the benefit of the environment and the lives of the communities who grow it, many of whom are women. Tetley has committed to sourcing 100% of its tea from Rainforest Alliance Certified™ farms by 2016. We want to help create a sustainable global tea industry and we believe that working closely with organisations such as Rainforest Alliance is one effective way of achieving this.

Our business

# Strength in numbers



## Three longest-serving women in TGB



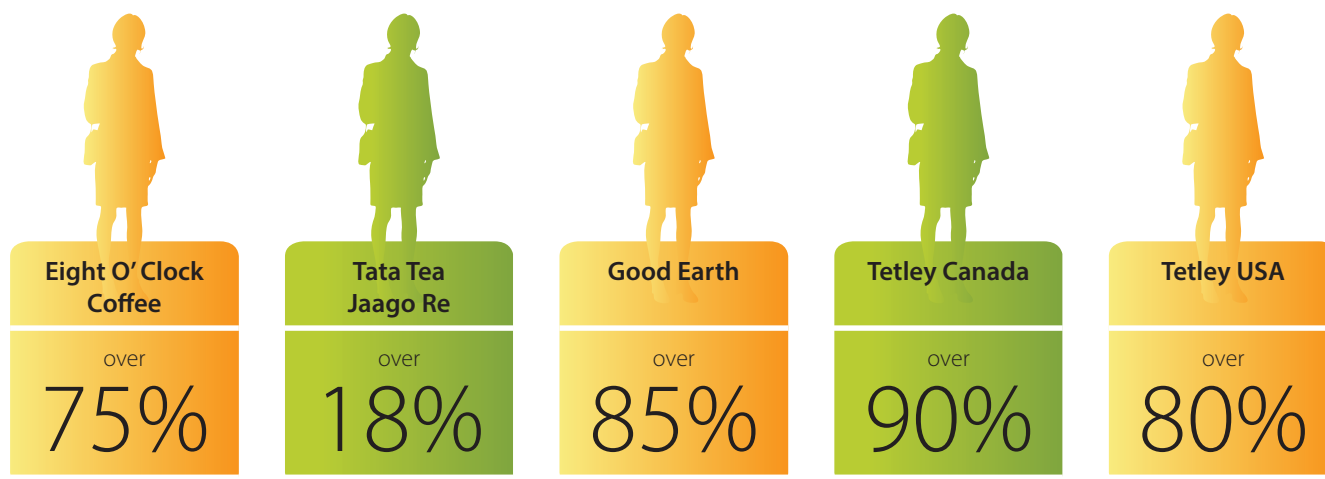
## Estimated number of women consumers of our brands worldwide



## Four women-dominated departments



## Percentage of women who like Facebook pages of our various brands.



## Some TGB women who hold influential industry positions

Name	Country	Department	Positions held in industry/society
<b>Katy Tubb</b>	UK	Tea Buying & Blending	Board Member of United Kingdom Tea Association Previously - Chairman of the Ethical Tea Partnership, Board member of International Tea Committee. Chairman of Tea Trade of London Dinner 2012.
<b>Catherine Donnelly</b>	UK	Compliance	Joint co-ordinator of FAO-IGG pesticide working group; Chair of Joint US/Canada Pesticide Taskforce Science & Technology subgroup; Member of UK BSI Tea Committee
<b>Charlotte Moss</b>	UK	Consumer Services	Executive Committee of the Inter Company Consumer Affair Association
<b>Josie Culbert</b>	Canada	Business Finance	Treasurer and on the Board of Directors of the Tea Association of Canada
<b>Joyce O'connor</b>	Canada	Marketing	Marketing Committee Member, Tea Association of Canada
<b>Adrianna Odomirok</b>	USA	Sales & Marketing	Board Member and Press Secretary, Ukrainian American Youth Association
<b>Angel Yang</b>	USA	Research & Development	Patents & patents pending; Professional Member of Institute of Food Technologists
<b>Kavery Nambisan</b>	India	Chief Medical Officer Tata Coffee Ltd	Eminent novelist who has more than six books to her credit



## Our latest campaign - putting women first



\* This campaign broke on Women's Day, 2013



A girl sets herself to take Shahrukh Khan's interview. She starts the conversation, "Hi Shahrukh, aaj Women's day hai and women love you."



Shahrukh says, "And I love women!" and both of them share a laugh. The girl continues, "Women's equality and women's right par aapki rai kya hai?"



Shahrukh replies bluntly, pointing high with his finger "Stree ko purush ke barabar nahi hona chahiye!" The girl gets surprised by what he said.



The camera is zoomed in close to his face expression. Shahrukh smiles, twists his fingers and says, "Aage hona chahiye".



The girl understands his wit and smiles as he continues to say, "Sab me education, medicine politics.."



The girl immediately interrupts him, she says, "Filmon me kyun nahi..? Titles me kyun hamesha Hero ka naam heroine ke naam ke aage hota hai?"



Shahrukh becomes speechless and starts thinking. He picks up his cup of tea while the girl asks the camera man to stop recording.



Shahrukh asks to roll the camera again and says, "Ab se meri har film me heroine ka naam mere naam se aage hoga!" VO: Bade badlav ke liye har ek ko choti shuruat karni padegi.



“ When a film like *Chak De!* and an ad like this comes, as an actor it fulfills your purpose. Jaago Re ads are extremely important, extremely smart and very very fitting .When it is extended to public and social issues I think it takes a louder and more important voice. You get up in the morning with tea and with Jaago Re, actually get up to do something in life. Besides my directors and producers, women have played the biggest part in my success. I love the women in my life”

- Shahrukh Khan, Actor

## Jaago Re campaign

From a narrow perspective, the Tata Tea cup of tea is a humble cup of tea that wakes us to morning's splendour. From a wider perspective, it is something more: an awakener.

Over the years, Tata Tea Jaago Re was positioned as an agent of social change through introspection and individual action. The brand, which campaigned From Vote to Corruption to Positivity, now turned to galvanise public opinion around the theme of '*Bade Badlav Ki Choti Shuruaat*', urging viewers to fight a deep-rooted societal gender bias against women.

The timing of the Jaago re commercial was relevant. What the country needed was an awakening.

So on the eve of Women's Day 2013, TGB launched a television campaign,

encouraging its viewers to make the momentous '*choti shuruaat*' (small beginning). As a part of the campaign, brand ambassador and film icon Shahrukh Khan spoke of starting the change with himself: he will use his best endeavour that every film that he produces from now on would feature the heroine's name before his own. Clearly, the journey of a thousand miles begins with a single step.

Besides, what started with India's biggest movie star making a personal pledge extended into a pan-India movement. The '*Aam Aadmi*' carried the film icon's message forward with over 100,000 pledges made nationwide towards a 'small beginning'.

### Small beginnings have enduring echoes

- Jaago Re 1 mn fan base features in the top-30 FMCG brands on Facebook India.

- Jaago Re today is the *only* Social Cause Brand in the top-50 FMCG brands on Facebook India
- Jaago Re community grew by over 360% in the last six months (Facebook growth 40%, FMCG growth 140%)
- Jaago Re has a healthy engagement rate that is almost 8x higher than the Facebook FMCG benchmark
- Jaago Re has emerged as a strong brand across age groups especially on the female demographic ranging from ages 16 to 65. Approximately 25,000 women talk to us on a daily basis (talk = Like/Share/Comment)
- Currently, Jaago Re carries the message of '*Bade Badlav ki Choti Shuruaat*' to over 2.5mn Indians across 150 cities and towns on a daily basis

# This is Tata Global Beverages

A global business in natural beverages that provides magical beverage moments to millions across the world through its portfolio of brands.

- We are part of the Tata Group
- We are in the beverage business for several decades
- We have a portfolio of exciting brands in tea, coffee and water
- Our brands are enjoyed in over 40 countries



## Presence of our brands across the world

Tea





Coffee \_\_\_\_\_



Water \_\_\_\_\_



Overview

# Our Vision

## Vision

To be the most admired natural beverages company in the world by making a big and lasting difference in Tea, Coffee and Water



# Our Purpose



## Purpose

We will focus on creating magical beverage moments for consumers and an eternity of sustainable goodness for our communities



Overview

## Directional themes



### Consumer is our heartbeat



*We use our mind (and our hearts) to come up with great ideas, making brands that people want and love. Our brands aren't just products; they are promises we keep and experiences we deliver*

### Disruptively challenging



*We think differently, we are open to new sources of inspiration and we are fresh and unexpected. We punch above our weight because we are hungrier to succeed and quicker to anticipate and respond*

### Playfully professional



*We are ambitious, confident and energetic. We know we can be commercially successful and have fun at the same time*

### Individually excellent Collectively brilliant



*We possess smart individuals but we know it takes a team to be successful. We are doers and achievers. We take charge, are resourceful and we make it happen*

### Doing good

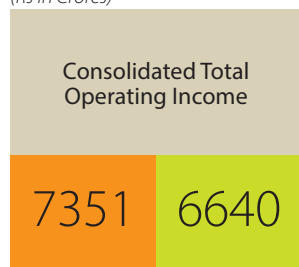


*We are fair and honest with everyone. We do the right things for the environment and inspire others to do the same. It is also important for us to provide a working and learning environment where everyone is treated equally and with dignity*

# From strength to strength

## Consolidated Financial Data 2012-13

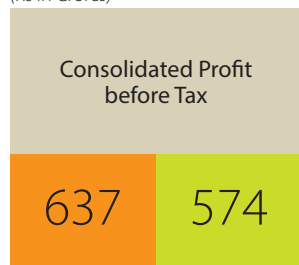
(Rs in Crores)



(Rs in Crores)



(Rs in Crores)



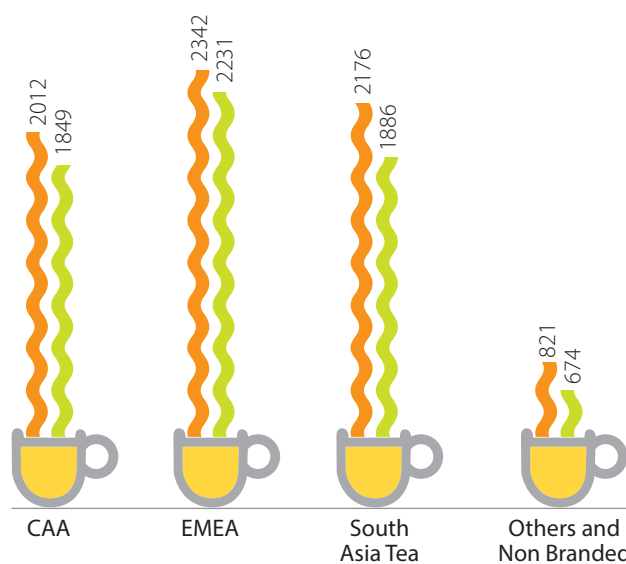
(Rs)



■ 2012-13 ■ 2011-12

## Region-wise Operating Income

Rs in Crores



Total Income from Operations ■ 7351 ■ 6640

■ 2012-13 ■ 2011-12

EMEA-Europe, Middle East and Africa, CAA-Canada, America and Australia

## Brand wise sales 2012-13



■ Tetley 38%  
 ■ India Tea Brands 32%  
 ■ Eight'O Clock 17%  
 ■ Others and Speciality brands 13%

## Product category wise sales



■ Tea 70%  
 ■ Coffee 20%  
 ■ Plantations 9%  
 ■ Others 1%

## Board of Directors



**Mr. R N Tata**  
*Chairman (Upto 20.11.2012)  
Director (Upto 28.12.2012)*



**Mr. Cyrus P Mistry**  
*Director (From 22.06.2012)  
Chairman (From 20.11.2012)*



**Mr. R K Krishna Kumar**  
*Vice Chairman*



**Mrs. Mallika Srinivasan**  
*Director*



**Mrs. Ranjana Kumar**  
*Director*



**Mr. F K Kavarana**  
*Director*



**Mr. U M Rao**  
*Director*



**Mr. A R Gandhi**  
*Director  
(Upto 15.03.2013)*



**Mr. A Singh**  
*Director*







**Late Mr. J S Bilimoria**  
*Director*  
(27.01.1947 - 03.05.2013)



**Mr. V Leeladhar**  
*Director*



**Mr. Darius Pandole**  
*Director*



**Mr. S Santhanakrishnan**  
*Director*  
(From 28.05.2013)



**Mr. P T Siganporia**  
*Managing Director*  
(Upto 30.06.2012)



**Mr. Harish Bhat**  
*Managing Director*  
(From 01.07.2012)



**Mr. Ajoy Misra**  
*Executive Director*



**Mr. L Krishnakumar**  
*Executive Director*  
(From 01.04.2013)



# Executive Management



**Mr. Harish Bhat**  
*Chief Executive Officer*



**Mr. Ajoy Misra**  
*Deputy Chief Executive Officer*



**Mr. L Krishnakumar**  
*Group Chief Financial Officer*



**Mr. KS. Srinivasan**  
*Group Chief Human Resources Officer*



**Mr. Stephen Rice**  
*Regional President,  
Canada, Americas and Australia*



**Mr. Nigel Holland**  
*Regional President,  
Europe, Middle East and Africa*



**Mr. Sanjiv Sarin**  
*Regional President,  
South Asia*



**Mr. Hameed Huq**  
*Managing Director,  
Tata Coffee Limited*



**Mr. Pradeep Poddar**  
*Managing Director,  
Mount Everest Mineral Water Limited*



**Mr. Vish Govindasamy**  
*Chief Executive Officer,  
Watawala Plantations*



# Corporate Information

## Board of Directors

R N Tata (*Chairman upto 20.11.2012*)  
Cyrus P Mistry (*Chairman w.e.f. 20.11.2012*)  
R K Krishna Kumar (*Vice-Chairman*)  
Mallika Srinivasan (Mrs.)  
Ranjana Kumar (Mrs.)  
F K Kavarana  
U M Rao  
A R Gandhi (*Upto 15.03.2013*)  
A Singh  
J S Bilimoria (*Deceased on 03.05.2013*)  
V Leeladhar  
Darius Pandole (*w.e.f. 22.06.2012*)  
S Santhanakrishnan (*w.e.f. 28.05.2013*)  
P T Sigantoria, *Managing Director (upto 30.06.2012)*  
Harish Bhat, *Managing Director (w.e.f. 01.07.2012)*  
Ajay Misra, *Wholtime Director*  
L Krishnakumar, *Wholtime Director (w.e.f. 01.04.2013)*

V Madan, *Vice President and Secretary*

## Registered Office

1 Bishop Lefroy Road, Kolkata - 700 020  
Telephone : 033-22811807/3709/3779/3891/4422  
Fax : 033-22811199  
Website : [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com)

## Solicitors and Legal Advisers

Amarchand & Mangaldas & Suresh A Shroff & Co.  
AZB Partners  
Dua Associates  
Khaitan & Co.  
Orr Dignam & Co.

## Auditors

Lovelock & Lewes

## Registrars

TSR Darashaw Pvt. Ltd.  
Equity Shares and Fixed Deposits  
6-10, Haji Moosa Patrawala Ind. Estate  
20, Dr. E. Moses Road, Mahalaxmi,  
Mumbai - 400 011  
Telephone : 022-66568484  
Fax : 022-66568494  
Website : [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

Kolkata Office :  
1st Floor, Tata Centre,  
43 J L Nehru Road,  
Kolkata - 700 071  
Telephone : 033-22883087  
Fax : 033-22883062

## Bankers

AXIS Bank Limited  
Bank of America  
Citibank N.A.  
Deutsche Bank  
HDFC Bank Limited  
ICICI Bank Limited  
Standard Chartered Bank  
State Bank of India  
State Bank of Travancore  
The Hongkong and Shanghai Banking Corporation Limited  
The Royal Bank of Scotland N.V.  
Yes Bank Limited  
Rabo Bank International



## Notice

Notice is hereby given that the Fiftieth Annual General Meeting of the Members of Tata Global Beverages Limited will be held at The Oberoi Grand, 15 Jawaharlal Nehru Road, Kolkata – 700 013 on Monday, 15th July 2013, at 10.30 a.m. to transact the following businesses:

### Ordinary business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013, the Statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. F K Kavarana who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mrs. Ranjana Kumar who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mrs. Mallika Srinivasan who retires by rotation and is eligible for reappointment.
6. To appoint Auditors and fix their remuneration.

### Special business:

#### **7. Appointment of Mr. L Krishnakumar as a Director of the Company**

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED that Mr. L Krishnakumar, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st April 2013, and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and he is hereby appointed a Director of the Company.”

#### **8. Appointment of Mr. S Santhanakrishnan as a Director of the Company**

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED that Mr. S Santhanakrishnan, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28th May 2013, and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and he is hereby appointed a Director of the Company.”

#### **9. Appointment and remuneration of Mr. L Krishnakumar as Wholetime Executive Director of the Company**

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED that subject to the approval of Central Government and pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, (“the Act”), as amended or re-enacted from time to time, read with Schedule XIII of the Act, the Company hereby approves the appointment and terms of remuneration of Mr. L Krishnakumar as the Executive Director of the Company for a period of five years with effect from 1st April 2013 upon the terms and conditions set out in the explanatory statement annexed to the Notice convening this Annual General Meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during

the tenure of his appointment) with liberty to the Board of Directors to finalise such terms and conditions of the said appointment and also alter or vary the same from time to time, in such manner as may be agreed to between the Board of Directors and Mr. L Krishnakumar.”

“RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

#### **10. Revision in terms of remuneration of Mr. Harish Bhat, Managing Director**

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED that in partial modification of Resolution No. 13 passed at the Annual General Meeting of the Company held on 31st August 2012, for the appointment and terms of remuneration of Mr. Harish Bhat, Managing Director of the Company and pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (“ the Act”), as amended or re-enacted from time to time, read with Schedule XIII of the Act, the Company hereby approves the revision in the terms of remuneration of Mr. Harish Bhat, Managing Director of the Company, with authority to the Board of Directors to determine the remuneration, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment),in such manner as they deem fit, with effect from 1st April 2013, for the remainder of the tenure of his appointment, i.e. upto 30th June 2017 as set out in the explanatory statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

#### **11. Revision in terms of remuneration of Mr. Ajoy Misra, Wholetime Executive Director**

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED that in partial modification of Resolution No. 10 passed at the Annual General Meeting of the Company held on 31st August 2012, for the appointment and terms of remuneration of Mr. Ajoy Misra, Executive Director of the Company and pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (“ the Act”), as amended or re-enacted from time to time, read with Schedule XIII of the Act, the Company hereby approves the revision in the terms of remuneration of Mr. Ajoy Misra, Executive Director of the Company, with authority to the Board of Directors to determine the remuneration, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment),in such manner as they deem fit, with effect from 1st November 2012, for the remainder of the tenure of his appointment, i.e. upto 30th November 2016 as set out in the explanatory statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

The Register of Members shall remain closed from 2nd July 2013 to 15th July 2013, both days inclusive.

By Order of the Board



**(V MADAN)**

Vice-President & Secretary

Registered Office:  
1, Bishop Lefroy Road  
Kolkata – 700 020  
Date: 28th May 2013

# Notice

continued

## Notes:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item Nos. 7 to 11 above is annexed hereto. Information under Clause 49(VIA) of the Listing Agreement relating to Directors proposed to be appointed /reappointed under Item Nos. 3, 4, 5, 7 and 8 above is provided in Annexure to this Notice.
2. The dividend that may be declared by the Company will be paid on or after 18th July 2013, to all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 2nd July 2013. In respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as on beginning of 2nd July 2013 as per details that may be provided by the Depositories for this purpose.
3. **A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company. Proxies, in order to be effective must be received at the Company's registered office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be accompanied by appropriate resolution/authority as applicable, issued on behalf of the nominating organisation.**
4. Shareholders are requested to immediately notify their bank particulars giving the name of the bank and the branch, 9 digit MICR number, the nature of account and their Core Banking Solutions account number (CBS A/c No.) to the Company's Registrar and Share Transfer Agent, TSR Darashaw Pvt. Ltd., in respect of shares held in physical form and to their Depository Participant in case of shares held in electronic form. Shareholders may note that the bank details registered against their account in physical form will not be applicable to their electronic account and vice versa. It is in interest of the shareholders to register their bank details against their account and avail of NECS (National Electronic Clearing Service) facility being extended by the Company for receiving dividend payment. The shareholders may please note that under instructions from the Securities and Exchange Board of India, furnishing of bank particulars by the shareholders has become mandatory.
5. Pursuant to Section 205C of the Companies Act, 1956, all unclaimed/unpaid dividend, debenture interest and interest on deposits as well as principal amount of deposits upto 31.3.2013 remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the Investors Education & Protection Fund (IEPF) established by the Central Government. Shareholders/debenture holders/depositors may kindly note that the Company is statutorily required to transfer to IEPF all unclaimed/unpaid dividend, debenture interest and principal and interest on deposits remaining unpaid/unclaimed for a period of seven years from the date they became due for payment and once such amounts are transferred to IEPF, no claim of the shareholder/debenture holder/depositor shall lie against the Company or the IEPF. For the information of the shareholders it is hereby notified that the following dividend/interest amounts will be due for transfer to IEPF during the financial year 2013-14:
  - a) Dividend paid on 11th August, 2006 in respect of the financial year 2005-06
  - b) Interest on fixed deposits paid during 1.04.2006 to 31.03.2007.
  - c) Principal amounts on maturity of deposits due during 1.04.2006 to 31.03.2007.Shareholders/debenture holders/depositors who have not yet encashed their dividend warrants/interest warrants or have not claimed the principal amount of deposit by submitting the discharged fixed deposit receipts are requested to do so immediately. Further details relating to such transfers to IEPF have been given in paragraph 11 of the Corporate Governance Report.
6. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for printing on the face of the dividend warrants. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the depository participants. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the depository participant of the shareholders. The bank mandate, if any, for shares held in physical form cannot be applied for shares held in electronic form.
7. Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agents, TSR Darashaw Pvt. Ltd. Shareholders holding shares in electronic form must advise their respective depository participants about any change in address and not to the Company or the Registrars.



# Explanatory statement

Pursuant to Section 173(2) of the Companies Act, 1956 (“the Act”)

## Item Nos. 7 and 9

### Appointment and Remuneration of Mr. L Krishnakumar as Director and as Wholetime Executive Director

Mr. L Krishnakumar was appointed as an Additional Director and as Executive Director by your Board with effect from 1st April 2013. The Board at its meeting held on 28th May 2013 approved the terms and conditions of his appointment and remuneration, subject to the approval of the Central Government and of the members.

Mr. L Krishnakumar as an Additional Director of the Company shall hold office upto the date of the forthcoming Annual General Meeting. The Company has received notice under Section 257 of the Act from a member of the Company informing that at the Annual General Meeting, the said member would like to propose the appointment of Mr. L Krishnakumar as a Director of the Company. Mr. L Krishnakumar is also proposed to be appointed as the Executive Director of the Company on his appointment as a Director of the Company.

Mr. L Krishnakumar has been with the Tata Group since 2000 - initially with The Indian Hotels Company Limited as its Vice President – Finance and since 2004 he has been with the Company as the Group Chief Financial Officer. Mr. L Krishnakumar has obtained professional qualifications in Chartered Accountancy, Cost Accountancy and Company Secretarial Services and has over 30 years experience in a variety of industries including consumer goods, hotels, manufacturing and consulting. Mr. L Krishnakumar is also a Director on the Board of several overseas subsidiaries of the Company.

The main terms and conditions of appointment of Mr. L. Krishnakumar (hereinafter referred to as “ED”) are given below:

#### A. Tenure of Appointment:

The appointment of the ED is for a period of 5 years with effect from 1st April 2013.

#### B. Nature of Duties:

The ED shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and the Board, and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time, by serving on the Boards of such associated companies/subsidiaries or any other executive body or a committee of such a company.

#### C. Remuneration:

The ED shall be entitled to remuneration as stated hereunder in terms of Schedule XIII of the Companies Act, 1956:

- (i) **Remuneration:** (a) Basic salary upto a maximum of Rs. 6,00,000 per month, with authority to the Board or a Committee thereof to fix his basic salary within the said maximum amount; (b) Commission and/or incentive remuneration based on performance criteria to be laid down by the Board; and (c) Benefits, perquisites and allowances as may be determined by the Board from time to time over and above the basic salary.
- (ii) **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the ED, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites, allowances and incentive remuneration as specified above.

#### D. Other terms of Appointment:

- i. The ED shall not become interested or otherwise concerned, directly or through his spouse and/ or children, in any selling agency of the Company.
- ii. The terms and conditions of the appointment of the ED may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the ED, subject to such approvals as may be required.

# Explanatory statement

continued

- iii. The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- iv. The employment of the ED may be terminated by the Company without notice or payment in lieu of notice:
  - (a) if the ED is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or
  - (b) in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the ED of any of the stipulations contained in the Agreement to be executed between the Company and the ED ("Agreement"); or
  - (c) in the event the Board expresses its loss of confidence in the ED.
- v. In the event the ED is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- vi. Upon the termination by whatever means of the ED's employment:
  - (a) the ED shall immediately tender his resignation from offices held by him in any subsidiaries and associated companies and other entities without claim for compensation for loss of office;
  - (b) the ED shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.
- vii. The ED is appointed as a Director by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283(1)(l) of the Act.
- viii. In accordance with the Articles of Association of the Company, the Executive Director will not be liable to retire by rotation.
- ix. The terms and conditions of appointment of the ED also include clauses pertaining to adherence with the Tata Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.
- x. If and when the Agreement expires or is terminated for any reason whatsoever, the ED will cease to be the Executive Director, and also cease to be a Director. If at any time, the ED ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Director, and the Agreement shall forthwith terminate. If at any time, the ED ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Executive Director of the Company.

In compliance with the provisions of Sections 198, 269 and 309 and other applicable provisions of the Act, read with Schedule XIII to the Act, the terms of appointment and remuneration of Mr. L Krishnakumar as specified above, are now placed before the Members for their approval.

This may be treated as an abstract of the terms and conditions of appointment and remuneration of Mr. L Krishnakumar as required under Section 302 of the Act.

The Resolutions for appointment and terms of remuneration of Mr. L Krishnakumar at Item Nos.7 and 9 of the Notice are commended for approval by the Members.

Mr. L. Krishnakumar is concerned or interested in the resolutions at Item Nos.7 and 9 of the Notice. No other Director of the Company is concerned or interested in these resolutions.

## Item No. 8

### Appointment of Mr. S Santhanakrishnan as a Director of the Company

At a meeting of the Board of Directors of the Company held on 28th May 2013, the Board had approved the appointment of Mr. S. Santhanakrishnan as Additional Director of the Company under Section 260 of the Companies Act, 1956 with effect from 28th May 2013.

The Company has received a notice under Section 257 of the Act from a member of the Company informing that at the next Annual General Meeting, the said member would like to propose the appointment of Mr. S. Santhanakrishnan as Director of the Company.

Mr. S. Santhanakrishnan, FCA is the partner of PKF Sridhar & Santhanam, Chartered Accountants and has more than 30 years of experience in Finance, Accounts including IFRS, Strategy & Planning, Global Assurance, Corporate Laws and Consulting. He is a member of the Central Council of the Institute of Chartered Accountants of India (ICAI). He is actively involved in numerous industry oriented initiatives of the Reserve Bank of India and the Ministry of Corporate Affairs.

Keeping in view the experience and expertise of Mr. S. Santhanakrishnan, the Board considers it desirable that the Company should receive the benefit of his valuable experience and advice and accordingly commends the resolution at item No.8 for approval by the members.

Details regarding Mr. S Santhanakrishnan have been given in the Annexure attached to the accompanying Notice. Mr. S Santhanakrishnan has filed Form DD-A with the Company as required under the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003.

Mr. S. Santhanakrishnan is concerned or interested in resolution No.8 of the accompanying Notice as it relates to his appointment. No other Directors are interested or concerned in this resolution.

## **Item No. 10**

### **Revision in terms of remuneration of Mr. Harish Bhat, Managing Director**

At the Annual General Meeting of the Company held on 31st August 2012, the Members of the Company had approved the appointment and terms of remuneration of Mr. Harish Bhat, Managing Director of the Company for a period of five years with effect from 1st July 2012. In order to give flexibility to the Board of Directors to decide upon the remuneration to be granted to the Managing Director, it is proposed to revise the terms of remuneration of Mr. Harish Bhat with effect from 1st April 2013 for the remainder of the tenure of his appointment, i.e. upto 30th June 2017. The Board of Directors at its meeting held on 28th May 2013 have approved the aforesaid proposal, subject to the approval of the Members.

The revised terms and conditions of the remuneration of Mr. Harish Bhat (hereinafter referred to as "MD") are given below:

- (i) Remuneration: (a) Basic salary upto a maximum of Rs. 7,00,000 per month, with authority to the Board or a Committee thereof to fix his basic salary within the said maximum amount; (b) Commission and /or incentive remuneration based on performance criteria to be laid down by the Board; and (c) Benefits, perquisites and allowances as may be determined by the Board from time to time over and above the basic salary.
- (ii) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the MD, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites, allowances and incentive remuneration as specified above.

All other terms of appointment of Mr. Harish Bhat as approved by the Members at their Annual General Meeting held on 31st August 2012 will remain unchanged.

In compliance with the provisions of Sections 198, 269 309 and 310 and other applicable provisions of the Act, read with Schedule XIII to the Act, the revised terms of remuneration of Mr. Harish Bhat as specified above, are now placed before the Members for their approval.

This may be treated as an abstract of the terms and conditions of the revised remuneration of Mr. Harish Bhat as required under Section 302 of the Act.

The Resolutions for the revision in remuneration of Mr. Harish Bhat at Item No.10 of the Notice are commended for approval by the Members.

Mr. Harish Bhat is concerned or interested in Resolution No.10 of the accompanying Notice as it relates to revision in terms of his remuneration. No other Directors are interested or concerned in this resolution.



# Explanatory statement

continued

## Item No. 11

### Revision in terms of remuneration of Mr. Ajoy Misra, Wholetime Executive Director

At the Annual General Meeting of the Company held on 31st August 2012, the Members of the Company had approved the appointment and terms of remuneration of Mr. Ajoy Misra, Executive Director of the Company for a period of five years with effect from 1st December 2011. As the members are aware, Mr. Ajoy Misra was initially based out of London and a part of his salary was paid from Tata Global Beverages Group Limited, UK, the Company's overseas subsidiary. Consequent to his relocation to India effective November 2012, his remuneration is now payable entirely from the Company. Accordingly, the Board at their Meeting held on 31st October 2012, had approved the revised remuneration payable to Mr. Ajoy Misra effective 1st November 2012. The Board at its meeting held on 28th May 2013 further revised his remuneration effective 1st April 2013. Approval of the members is sought for the revision in remuneration of Mr. Ajoy Misra as mentioned above.

The revised terms and conditions of the remuneration of Mr. Ajoy Misra (hereinafter referred to as "ED") are given below:

- (i) Remuneration: (a) Basic salary upto a maximum of Rs. 6,00,000 per month, with authority to the Board or a Committee thereof to fix his basic salary within the said maximum amount; (b) Commission and/or incentive remuneration based on performance criteria to be laid down by the Board; and (c) Benefits, perquisites and allowances as may be determined by the Board from time to time over and above the basic salary.
- (ii) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the ED, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites, allowances and incentive remuneration as specified above.

All other terms of appointment of Mr. Ajoy Misra as approved by the Members at their Annual General Meeting held on 31st August 2012 will remain unchanged.

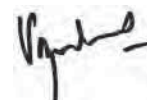
In compliance with the provisions of Sections 198, 269, 309 and 310 and other applicable provisions of the Act, read with Schedule XIII to the Act, the revised terms of remuneration of Mr. Ajoy Misra as specified above, are now placed before the Members for their approval.

This may be treated as an abstract of the terms and conditions of the revised remuneration of Mr. Ajoy Misra as required under Section 302 of the Act.

The Resolutions for the revision in remuneration of Mr. Ajoy Misra at Item No.11 of the Notice are commended for approval by the Members.

Mr. Ajoy Misra is concerned or interested in Resolution No.11 of the accompanying Notice as it relates to revision in terms of his remuneration. No other Directors are interested or concerned in this resolution.

By Order of the Board



**(V MADAN)**

Vice-President & Secretary

Registered Office:  
1, Bishop Lefroy Road  
Kolkata – 700 020  
Date: 28th May 2013

## Particulars of Directors seeking appointment/reappointment

Name of Director	Mr. F K Kavarana	Mrs. Ranjana Kumar	Mrs. Mallika Srinivasan
Date of Birth	17.03.1944	10.12.1945	19.11.1959
Date of Appointment	15.06.1994	29.01.2010	22.10.2008
Qualifications	B.Com., F.C.A. (England & Wales) M.B.A., Wharton School of Finance (University of Pennsylvania)	B.A	Master of Business Management from Wharton School of Business, University of Pennsylvania, USA. Master of Arts in Econometrics from the University of Madras, Chennai
Number of Shares held in the Company	Nil	Nil	Nil
Expertise in specific functional area	Wide experience in Finance, General Management	Wide experience in Banking and Finance	Rich and wide experience as industry leader in various segments of business particularly in tractors, farm equipment and plantations.
Directorships held in other public companies (excluding foreign companies and Section 25 companies)	Tata Sons Ltd. Tata Industries Ltd. Trent Ltd. Tata Projects Ltd. Tata AIA Life Insurance Co. Ltd. Tata AIG General Insurance Co. Ltd. Tata Asset Management Ltd. Tata Capital Ltd. Tata Capital Financial Services Ltd. ACC Ltd.	International Asset Reconstruction Company Ltd. (IARC) Coromandel International Ltd. GVK Power & Infrastructure Ltd. Andhra Pradesh Paper Mills Ltd. SKS Micro Finance Ltd.	Tractors and Farm Equipment Ltd. TAFE Access Ltd. TAFE Reach Ltd. TAFE Motors and Tractors Ltd. The United Nilgiri Tea Estates Company Ltd. Tata Steel Ltd.
Membership/Chairmanship of Committees of other public Companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committees)	<b>Chairman - Audit Committee</b> • Tata AIG General Insurance Co. Ltd. <b>Member - Audit Committee</b> • Tata Sons Ltd. • Tata Industries Ltd. • Tata AIA Life Insurance Co. Ltd. • Tata Asset Management Ltd. • ACC Ltd. <b>Chairman - Shareholders'/ Investors' Grievance Committee</b> • Trent Ltd.	<b>Member - Audit Committee</b> • International Asset Reconstruction Company Ltd. <b>Chairman - Shareholders'/ Investors' Grievance Committee</b> • Andhra Pradesh Paper Mills Ltd.	<b>Member - Audit Committee</b> • TAFE Motors and Tractors Limited

## Particulars of Directors seeking appointment/reappointment

continued

<b>Name of Director</b>	<b>Mr. L Krishnakumar</b>	<b>Mr. S Santhanakrishnan</b>
Date of Birth	29.10.1958	01.11.1950
Date of Appointment	1.4.2013	28.5.2013
Qualifications	B.Com, ACA, ACS, CWA	Bsc, BL, FCA
Number of Shares held in the Company	Nil	Nil
Expertise in specific functional area	Wide experience in Finance, Accounts, Corporate Laws	Wide experience in Finance, Accounts including IFRS, Strategy & Planning, Global Assurance and Corporate Laws
Directorships held in other public companies (excluding foreign companies and Section 25 companies)	Nil	The Catholic Syrian Bank Ltd. - Non Executive Chairman Tata Coffee Ltd. Tata Realty and Infrastructure Ltd. Tata Housing Development Company Ltd. IDBI Federal Life Insurance Co. Ltd.
Membership/ Chairmanship of Committees of other public Companies (includes only Audit Committee and Shareholders'/ Investors' Grievance Committees)	Nil	<b>Chairman - Audit Committee</b> <ul style="list-style-type: none"> <li>• Tata Coffee Ltd.</li> <li>• Tata Housing Development Company Ltd.</li> <li>• IDBI Federal Life Insurance Co. Ltd.</li> </ul> <b>Member - Shareholders'/Investors' Grievance Committee</b> <ul style="list-style-type: none"> <li>• Tata Coffee Ltd.</li> </ul>

# Directors' Report

Your Directors are pleased to submit their fiftieth report together with the audited statement of accounts for the year ended 31st March 2013.

## 1. Highlights – Consolidated Performance

Your Company's consolidated total operating income for the year ended 31st March 2013, at Rs. 7,351 crores, was 11% higher than the previous year reflecting strong performance in the branded tea and coffee businesses in major markets and excellent performance of the plantation and extraction businesses. Favourable translation impact also contributed to the growth in operating income. In the branded tea business we continue to be market leaders in India and Canada and among the leading brands in other major markets.

Group Profit from operations for the year at Rs. 663 crores is 26% higher than the previous year reflecting strong operating performance in most key markets. Contributing to this performance were improved profitability of branded coffee business, strong performance of the tea business in markets like India and Australia, and favourable impact of cost interventions. The increase in Group Consolidated Net Profit for the year at Rs. 373 crores is 5% higher as compared to the prior year reflecting the improvement in performance offset by the impact of exceptional items.

We are delighted to report that our strategic partnerships with PepsiCo and Starbucks have recorded rapid strides during the year.

NourishCo Beverages, the equal-stake joint venture between Tata Global Beverages Limited and PepsiCo handles a portfolio of three products, the premium water brand Himalayan, Tata Water Plus and Tata Gluco Plus. The company is set to launch more innovations in enhanced and functional beverages.

Tata Starbucks Limited, the equal-stake joint venture between Starbucks Coffee Company and Tata Global Beverages Limited has rapidly scaled up and opened 12 Starbucks stores during 2012-13 in Mumbai and New Delhi.

Your Company will pursue a strategy of building on its strengths – unique competencies, differentiated offerings, appealing brands and significant scale in the three natural beverage categories of tea, coffee and water to emerge as one of the largest, most admired and successful natural beverage companies in the world.



# Directors' Report

continued

## 2. Stand alone Financial Highlights

The Directors now present below the stand alone financial highlights for 2012/13:

Rs. in Crores

	2012-13	2011-12
Total Revenue	2,439	2,129
Profit before finance cost, depreciation, exceptional items and taxes	351	326
Deduct:		
Finance cost	(32)	(27)
Depreciation	(16)	(12)
Profit before exceptional items and taxes	303	287
Exceptional items (net)	18	83
Profit before tax	321	370
Provision for tax	(62)	(67)
Profit after tax	259	303
Add: surplus brought forward from previous year	486	367
Amount available for appropriation	745	670
Proposed dividend	(133)	(133)
Dividend distribution tax	(21)	(21)
Transfer to general reserve	(26)	(30)
	(180)	(184)
	565	486

## 3. Dividend

The Directors are pleased to recommend for the approval of the shareholders a dividend of Rs. 2.15 per share on the paid-up equity share capital of the Company with respect to the financial year 2012-13 which is the same dividend that was declared last year. The total outgo on account of dividend, inclusive of taxes, for 2012-13 is Rs. 154 crores which represents a pay-out of 59% of the Company's stand alone profits against the payout of 51% in the previous year.

## 4. Review of Subsidiary and Associate Companies

- (i) a. As required under the listing agreement with the stock exchanges the audited consolidated financial statements of the Company incorporating all its subsidiary and associate companies prepared in accordance with applicable Accounting Standards are attached.
- b. The Ministry of Corporate Affairs has by its notification dated 8th February 2011 granted a general exemption to companies, as per which, the provisions of Section 212 shall not apply in relation to subsidiaries, subject to the fulfillment of certain conditions. Accordingly the consolidated financial statements of the holding company and all subsidiaries duly audited by its statutory auditors have been presented and the individual accounts of each of the subsidiary companies have not been attached.

- c. Any shareholder may either ask for a copy or inspect at the registered office a copy of the audited accounts of the subsidiary companies (where required to be prepared).
- (ii) Tata Coffee Limited, your Company's subsidiary, recorded excellent performance in 2012-13 registering growth in both top line and bottom line. Tata Coffee's income from operations for the year 2012-13 at Rs. 598 crores was 18% higher than the previous year. Profit before exceptional items and taxes for the year ended 31st March, 2013 was Rs. 141 crores against Rs. 96 crores in the previous year, representing an increase of 47% driven by excellent performance of the plantation activities and the Instant coffee operations. Profit before Tax at Rs. 131 crores grew 26% over the previous year. The Profit earned by Tata Coffee in 2012-13 has been the highest in the history of the Company. The Directors of Tata Coffee Limited have recommended a final dividend of Rs. 7.50 per share which was in addition to an interim dividend of Rs. 5 per share thus resulting in a total dividend of Rs. 12.50 per share for the year 2012-13 against Rs. 11 per share in the previous year.
- The instant coffee operations of Tata Coffee demonstrated sustenance of process centric approach with effective operational discipline. The prime focus was on consistent quality, customer centric initiatives and work force development. The division achieved record capacity utilisation across all product variants. The Instant coffee units of Tata Coffee are certified by FSSAI (Food safety standards authority of India), ISO 9001 and 22000:2005, Kosher (Toopran), Halal and SA – 8000 (Theni). The Theni unit won the certificate of appreciation from Ministry of Commerce and Industry, Govt. of India for highest growth in exports amongst the manufacturing units (TN and Pondicherry) for the year 2011-12.
- In a key partnership milestone between Starbucks Coffee Company and Tata Coffee Limited, a roasting and packaging plant was inaugurated in Kushalnagar in Coorg, Karnataka in February 2013. This world-class facility enables roasting and packaging of green coffee beans for Starbucks stores in India.
- (iii) Eight O'clock Coffee Company, USA, (EOC) a subsidiary of Tata Coffee, had a very good year recording significant increase in operating profits aided by lower coffee prices, prudent cost management and improved efficiencies. The business launched Eight'O Clock K-cups under a trademark licensing agreement with Keurig, which has been well received by consumers and are achieving distribution gains. Consequently Tata Coffee also reported a significant improvement in its consolidated performance.
- (iv) Our B2B operations in USA, Tata Tea Extractions Inc, the Company's wholly-owned subsidiary, which supplies customer specific products in the beverage industry reported higher operating earnings of Rs. 10 crores in 2012-13 compared with Rs. 6 crores in the previous year. Net earnings after tax increased to Rs. 12 crores in 2012-13 against Rs. 9 crores in the previous year. The increase in earnings was driven by favorable product mix, better price realisation and lower input cost.
- (v) Mount Everest Mineral Water Ltd. (MEMW), the Company's subsidiary, recorded higher revenue from operations in 2012-13 at Rs 22 crores against Rs. 19 crores in the prior year driven by higher volumes in the premium Himalayan brand and better realisations. In a highly inflationary environment, MEMW embarked on several initiatives aiming at cost optimisation resulting in reporting a profit of Rs. 0.54 crores against a loss of Rs 1.64 crores in 2011-12. As earlier reported, your Company acquired an additional 4.98% equity in MEMW during the year under review thus taking its holding in MEMW to 50.07%. MEMW is also focusing on export opportunities including enhanced distribution through its joint venture partners.
- (vi) The consolidated Operating Income of Tata Global Beverages Group Limited, UK which substantially reflects the financial performance of the Tetley business and other international brands for the year 2012-13 was Rs. 3,440 crores, an increase of 7% over the prior year. Profit before exceptional items and taxes at Rs. 246 crores registered a 7% increase over 2011-12. Profit before and after tax at Rs. 263 crores and Rs. 225 crores respectively were also higher than the previous year. The increase in profitability is attributable to cost savings initiatives and improved performance in some markets and currency translation.

(vii) Estate Management Services Pvt. Limited, Sri Lanka (EMSPL), in which your Company owns 49% of the shares, is the holding company of Watawala Plantations Ltd. (WPL). EMSPL is one of the largest producers of tea and palm oil in Sri Lanka and amongst the most efficiently run in that country. Its marketing company, Watawala Tea Ceylon Ltd. (WTC) owns three key brands – “Zesta”, “Watawala Kahata”, and “Ran Tea” which together command over 30% market share of the branded tea market in Sri Lanka. Sri Lankan tea has good acceptance in several countries including Russia, South East Asia, Australia and the Middle East. The EMSPL group achieved record turnover and earnings during 2012-13 aided by one of the highest ever performance of WPL as well as consistent growth of WTC.

(viii) The turnover of Amalgamated Plantations Private Limited (APPL), in which the company owns a 49.66% stake, was Rs. 512 crores which was higher than in the previous year attributed to increased sales volume and better realisations. Profit after tax at Rs. 24 crores was significantly higher than prior year's profit of Rs. 11 crores largely due to better realisations.

APPL's growing focus on being 'environmentally aware' resulted in converting its Hathikuli tea estate into an organic estate. This was appreciated by Sanctuary Asia Magazine at an award function held on 30th November 2012, at the National Centre for Performing Arts (NCPA), Mumbai. APPL was awarded the 'Wind under the Wings' in recognition of its inspiring contribution towards environment. APPL's Hathikuli Tea Estate is now the largest Certified Organic integrated Farm in Asia manufacturing three varieties of tea and black pepper. In the process, the health of the tea bushes enhanced significantly; pepper yields are rising and soil biodiversity is greater than before. The benefits also include improved health of the workforce.

(ix) Kanan Devan Hills Plantations Private Limited (KDHP) in which your Company increased its stake to 28.92% during the year, had a reasonably good 2012-13 on the crop front with production of 20.23 million kgs against the previous year crop of 19.14 million kgs. Production could have been higher but for the dry weather that prevailed during the last quarter of the financial year under review. The price of tea during the year remained firm and towards the end of the financial year, owing to all-round drop in production peaked to levels never seen in the past. Prices have however since begun to soften.

KDHP recorded a profit after tax of Rs. 12 crores compared to Rs. 3 crores in the previous year. Operational results would have been substantially better but remained subdued due to full year impact of the steep increase in the wage rates that came into effect at the end of the previous financial year, almost doubling of fertiliser costs, and steep increase in power costs. Outlook for KDHP in the current year is cautiously optimistic.

## 5. NourishCo Beverages Limited - Joint Venture in Liquid Beverage Business

2012-13 is the third year of operations of NourishCo Beverages, the Joint Venture with PepsiCo formed to handle the sales, marketing and distribution of Himalayan natural mineral water and other water products through the PepsiCo distribution network. This significant partnership has enabled a higher visibility and availability of Himalayan across channels and markets.

NourishCo's full portfolio of products comprising Himalayan, Tata Water Plus (TWP) in Pet / Pouch format and Tata Gluco Plus (TGP) have made good progress. Sales volumes of Himalayan have grown during the year attributable to robust distribution and launch of various print media and TV commercials. Himalayan today is widely distributed and available in major niche markets across India. TWP expanded its reach and distribution significantly during the year. The brand is now available in Tamil Nadu and Andhra Pradesh. During the year, TWP was also relaunched by NourishCo in new packaging with an appealing marketing campaign. Tata Gluco Plus, a glucose based drink is now available in three exciting flavours – lemon, orange and mango.

We are happy to report that Tata Water Plus, the country's first nutrient drinking water, was the Official Hydration Partner for the 18th edition of the Aircel Chennai Open Tennis Tournament held in January 2013. Tata Water Plus fulfilled the hydration requirements of a large number of people during the event.

## 6. Tata Starbucks Limited

Your Company has always believed in creating memorable beverage experiences for consumers. The joint venture with Starbucks is yet another strong expression of this belief. Through Tata Starbucks, your Company offers the legendary Starbucks coffee experience, backed by the trust of the Tata name, to Indian consumers. The unique flagship stores are owned and operated by the joint venture and branded as “Starbucks Coffee - A Tata Alliance”. During the year, Tata Starbucks have opened 12 stores in Mumbai and New Delhi.

Starbucks stores offer an extensive product portfolio that includes Starbucks signature espresso-based beverages, as well as Starbucks VIA Ready Brew and Starbucks Reserve coffees. The store will also offer Tata Tazo tea and Himalayan mineral water, and its broad food offering boasts a wide selection of Western favorites, as well as locally relevant flavours. In addition, there is a wide range of Starbucks merchandise and free Wi-Fi so customers can enjoy the unparalleled coffeehouse experience that Starbucks is known for globally.

Deepening its commitment to community, Tata Starbucks Limited will work to improve the lives of coffee growing communities in the State of Karnataka. The joint venture, will work to support ‘Swastha’, a school for children with special needs (in partnership with the Coorg Foundation). Additionally, Tata Starbucks Limited will work on initiatives including the promotion of responsible agronomy practices and training of local farmers, technicians and agronomists to improve their coffee-growing and milling skills.

## 7. MoU with Kerala Ayurveda Limited

Following the MoU signed with Kerala Ayurveda Limited (KAL) to develop beverage and food products around ayurvedic recipes, the Company and KAL are currently engaged in a collaborative Joint development effort towards researching and development of formulations for application in beverages and water categories, aimed at improving health and wellness.

## 8. Marketing Alliance with SIGCC

Your Company has forged a marketing alliance with South Indian Green Cardamom Company (SIGCC) for the launch of their first branded product ‘Spice Mist’. SIGCC is a company founded, managed and run by the growers of spices themselves. Spice Mist has been launched in two varieties- cardamom and pepper. It is the first nationally branded whole spice in the Indian market. The products have been test marketed in a few cities. Through this alliance, SIGCC can sell Spice Mist through Tata Global Beverages’ wide distribution network. This will enable the spice growers to get a better price for their products by selling directly to the consumer instead of through intermediaries. This alliance represents yet another move by your Company to add value to India’s plantation community.

## 9. Review of Activities

### A. The Tea Industry

India’s tea output stood at 1,112 million kgs in 2012 against 1,116 million kgs in 2011. The drop in crop was led by South India. Consumption increased by 1.9% to 890 million kgs in 2012 versus 873 million kgs in 2011 resulting in lower inventories. As a result tea prices strengthened, increasing by Rs. 18 /kg over 2011. The outlook for 2013-14 is for prices to be fully firm to dearer if crop intakes follow seasonal norms.

Tea Exports from India declined by 14 million kgs in 2012 mainly due to the higher price levels with teas from other origins looking more attractive price-wise. Import of tea into India in 2012 was only marginally lower than the previous year.



**B. Domestic Branded Tea Operations**

Branded operations continued its excellent performance ending the year 2012-13 with a 7% growth over the previous year in volume and 16% by value. The national brands recorded a 7% growth over the previous year. All the national brands performed well, in spite of significant price increases taken on all the brands in view of increased commodity cost, and notwithstanding the fact that some competitor brand held onto constant consumer prices in the first quarter and moved prices up only thereafter.

The Regional brands also performed well, registering good growths over last year led mainly by Chakra Gold and Kanan Devan which recorded impressive growth during the year.

Your Company maintained its volume and value leadership position with a MAT volume and value share of 20.5% and 22.2% respectively, well ahead of its major competitors.

Tata Tea established itself as a thought leader in the tea category in India by positioning tea as a medium for social awakening through the Jaago Re campaign. Jaago Re helped build a differentiated positioning for brand Tata Tea – while tea may wake you up, Tata Tea awakens you! The campaign has continuously evolved, from the time it was launched in 2007. However the common thread underlying the success of its various avatars is Jaago Re's ability to identify social trends long before they become fully evident and call out to the nation to awaken to it. Since inception the Jaago Re campaign has won various laurels and recognitions. Tata Tea achieved volume leadership of the branded tea category towards the end of 2007 and value market leadership in 2011. This makes Jaago Re a campaign which delivers strong business results while doing social good through its overall message.

Tata Tea's Jaago Re campaign won the 'Cause Marketing Campaign' award at the Forbes India Philanthropy Awards (FIPA) 2012. FIPA announced ten awards for people and organisations who have been change makers, innovators and executors in the field of philanthropy. The award is in recognition of the Jaago Re campaign's success in integrating 'cause' with 'brand'.

A new Jaago Re campaign featuring Shah Rukh Khan was launched in record time in the month of March to coincide with International Women's day and more importantly tap the sentiment of the nation towards women. With a strong call for a 'choti shuruat' towards putting women first, we believe this will go a long way in highlighting this important social cause, and also strengthening the equity of the brand.

The Gaon Chalo initiative aimed at promoting distribution in the rural areas has been a special initiative undertaken by your Company and has been very successful over the years. The initiative commenced about 5 years ago and has made rapid progress. The core of the solution to enhance rural penetration was to create synergies among the local communities, in particular tying up with Non Government Organisations (NGO) who are well established in most villages across the country. The Gaon Chalo initiative currently covers many states across the country.

**C. International Branded Operations**

The UK market witnessed decline in volumes in the backdrop of decline in black tea category, increased competitive intensity and a shift in consumer behavior. However growth in green tea and specialty teas continues to be strong. Tetley recorded growth in green tea volumes as well as Redbush variety driven by a combination of focus on specific market segments, good merchandising efforts and the effect of new marketing campaigns. Your Group increased its investment behind brands to support volumes and this strategy has helped in the growth in green teas and other specialty teas. Difficult trading environment prevailed in Europe due to competitive intensity. Your Group is in the process of restructuring its business model in certain geographies with a view to improving margins.

Profitability of the US operations was significantly higher than the prior year driven by lower coffee cost, effective cost management and royalty income under the licensing arrangement with Keurigs for the coffee - pods. During 2012-13, Eight O Clock Coffee (EOC) launched coffee-pods (K-cups) to fit in existing Keurig brewers for the US market, as part of a licensing deal with Green Mountain Coffee Roasters Inc. EOC K cups have met with good market response.

Canadian tea business was impacted by competitive intensity and restructuring of distribution. Trade activation programmes were implemented to support incremental activities and regain volumes. The region implemented price increases in all major accounts under difficult and competitive market conditions. The Canadian business launched Tetley tea pods (T-Discs) for the Tassimo brewing system as part of a licensing deal with Kraft.

Australia had a good year with an improvement in the underlying income and profit from operations over the prior year driven by strong distribution performance and consumer programmes coupled with successful new products launched last year, namely the new Chai Latte and Specialty products. The business continues to invest behind brands to protect black tea volumes and support new product launches in the market in categories like speciality teas and Chai Latte.

In Pakistan, the business introduced Tetley Gold with an improved blend, in two select regions. The consumer response to the product has been very encouraging.

To commemorate 175 years of the iconic Tetley brand, the UK's first tea table book titled 'You, me and a cup of tea' was created by Tetley in partnership with CLIC Sargent, UK's leading children and young people's cancer charity. The book features a unique collection of 175 memorable teatime stories from celebrities, Tetley Tea fans and tea drinkers from across UK. Young people and their families affected by cancer, who have been supported by CLIC Sargent, have shared their stories in the book as well and all proceeds from the sales of the book will go to the charity.

#### **D. Tea Extractions**

The division's operations were stable and exports of Instant tea were made largely to US, Europe and Far Eastern countries. Profitability of the division improved during the year driven by improved realisation due to favourable foreign exchange. The Food Safety Management system of the division has been recommended for FSSC 22000 certification by Bureau Veritas, the certification agency. This certificate is globally recognised under the Global Food Safety Initiative (GFSI) and is a key consideration for procurement by many of the customers in USA, Europe, Japan etc.

Zhejiang Tata Tea Extraction Company Limited, China which is a subsidiary of your company, is a Joint Venture with Zhejiang Tea Group Company Limited, China. The JV was set up for the manufacture and marketing of Instant tea, tea Polyphenol and tea concentrates. The company commenced its production of green instant tea products after initial delays and has now started trial exports to USA. The trial commercial production of green Tea Polyphenols commenced during the current year, with the first order to be dispatched during the early part of the next fiscal.

#### **E. Exports**

The FOB value of exports during 2012-13 was Rs. 152 crores, against Rs. 157 crores in the previous year. The tea bag unit at Kochi performed well and exported its products to new markets of Nigeria, US and Sri Lanka. The Instant Tea unit is working with the commercial team to develop SKUs for new markets. The Export Credit Guarantee Corporation (ECGC) of India has recognised your Company as the 3rd most valued exporter client of the ECGC Kochi branch.

#### **F. Plantation Operations**

The crop production in 2012-13 at our Pullivasal and Periakanal Estates was marginally higher in 2012-13 at 20.73 lakh kgs against 20.62 lakh kgs in the previous year. The yield achieved was also higher than the previous year by 1%. Productivity at 50.06 kgs in 2012-13 was however lower at the two estates compared to the previous year due to unfavourable

weather conditions. The year 2012-13 started with drought in the region and although the estates received some rainfall later, it was not adequate to help improve crop growth and productivity.

### **G. Community Development, Employees' Welfare and Environment Conservation**

Your Company continues the legacy of giving back to society through its focus on community development and social welfare initiatives, particularly through its engagement with, the General Hospital, Srishti Welfare Centre and High Range School, in Munnar.

The General Hospital continued to provide quality healthcare which includes free treatment to the Muthavan tribal community. The hospital now also has a visiting Ophthalmologist and Orthopedic Doctor thereby ensuring easy access and higher availability of basic investigatory and interventional facilities in the locality.

The High Range School is functioning smoothly with CCE (Continuous and Comprehensive Evaluation) being actively pursued as a part of routine curriculum. CBSE Class XII and X Results have been consistently good and the first two toppers in the Class XII examinations last year are children of general workers of KDHP and your Company. We are also providing scholarship for university education to the workers children along with entrance coaching for Plus Two Science-stream students.

The Srishti Welfare Centre runs various programmes for the education, training and rehabilitation of children and young adults with special needs. The centre now comprises of 5 units - The DARE School, DARE Strawberry Unit, Athulya, Aranya and The Deli. Trainees and Programme coordinators of each unit were given opportunities to increase their knowledge and functional skills by interacting with welfare units outside their region. The unit also participated in exhibitions, national and international, where their products received much appreciation. Through Srishti the Company has helped these people become productive and respected members of the community.

Your Group has a clear focus and strategic approach towards driving Affirmative Action (AA) in India. In pursuance of this initiative, your Company is committed to directly conducting and supporting initiatives for socially and economically disadvantaged sections in the country at large, and specifically the Scheduled Caste and Scheduled Tribe communities in India. The AA initiative revolves around the four Es – Employment, Employability, Entrepreneurship and Education. As part of the initiative, your Company in collaboration with the renowned Bangalore based NGO, Unnati, sponsored 52 students from Scheduled caste and Scheduled Tribe communities who have been trained in technical skills and are now employed in various companies. The NGO provides skill building in the areas of retailing, hospitality, front office, Information Technology, etc.

The model of entrepreneurship follows inclusive growth by partnering with the rural communities, which include AA community. Gaon Chalo initiative has provided financial stability and growth to the economically backward communities and at the same time expanded the reach of our brands.

Munnar in India has long been the hub of your Company's education initiatives in India. At the High Range School, the workers' children from both KDHP and your Company are given free and subsidised education, irrespective of their community. Apart from the High Range School, the company undertakes special education through Project DARE.

## 10. Human Resources and Industrial Relations

During the year under review, industrial relations remained generally peaceful at all our offices and establishments.

Our focus on attracting and nurturing talent and developing capabilities has remained sharp during the year, preparing the business for future growth. One of the development initiatives highlighted within the Organisation Resource Review Process (ORR) was influencing and networking. A global two day program was developed and piloted in the EMEA (Europe, Middle East & Africa) region. A further program was also conducted in the US in March this year. In addition we are also developing a senior leadership module for Influencing and networking.

## 11. Corporate Governance and MD and A

A detailed report on Corporate Governance is separately attached together with a report on Management Discussion and Analysis (MDA). The MDA also covers the consolidated operations and reflects the global nature of our business.

## 12. Tata Business Excellence Model (TBEM)

Your Group was assessed under the Tata Business Excellence Model on a consolidated basis for the second successive year in 2012-13. The group has achieved an overall improvement in score in the assessment done in 2012-13. The external assessment team shared their findings on the Group's TBEM assessment with your senior management team in early February 2013, and this was also tabled to the Board of Directors, alongwith an action plan for the future. The feedback from the assessment gives us an opportunity to understand our strengths and areas for improvement. This also serves as a means to learn, manage and improve organisational performance, as we drive towards excellence in all parts of our business.

## 13. Directors' Responsibility Statement

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 ('the Act') and based on the representations received from the operating management, the Directors hereby confirm that:

- i) In the preparation of the Annual Accounts for 2012-13, the applicable Accounting Standards have been followed and there are no material departures.
- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year.
- iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) They have prepared the Annual Accounts on a going concern basis.

## 14. Directors

During the year Mr. R N Tata stepped down as Director and Chairman of the Board of your Company upon his reaching the retirement age in keeping with the Tata Group Guidelines on retirement of directors. Mr. Tata in his long association of over 21 years, had led the Company with great distinction, providing guidance and direction, in its quest for growth and excellence. Mr. Tata's deep involvement in the Company's affairs and his outstanding leadership helped overcome several challenges which the Company went through during this period. In matters connected with various aspects of the Company's strategy



# Directors' Report

continued

and operations, Mr. Tata had provided significant direction and guidance which enabled the company to transform from an Indian tea company into a global beverages Company focused on natural beverages.

Mr. Cyrus Mistry was appointed to the Board of your Company as Director on 22nd June 2012 and later was also appointed as Chairman of the Board on 20th November 2012. Mr. Mistry has assumed the leadership of the Company at a historic moment, and his taking over as Chairman will help bring in a fresh new perspective in guiding the Company towards new horizons of achievement.

As an expression of its sincere admiration and acknowledgement of the visionary leadership provided by Mr. Tata and to also mark the occasion of Mr. Cyrus Mistry taking over as the Chairman of the Board, your Company has instituted two Annual Scholarships at the High Range School, Munnar, one to mark Mr. Tata's stepping down and the other to mark Mr. Mistry assuming the Chairmanship. These will be called as "The Ratan Tata and Cyrus Mistry Scholarship" and will be awarded to two top ranking students of the school, who are children of plantation workers, for pursuit of a professional undergraduate college education.

Mr. Arun Gandhi stepped down as Director with effect from 15th March, 2013 upon his reaching the retirement age in keeping with the Tata Group Guidelines on retirement of directors. Mr. Gandhi played an active and key role in several acquisitions undertaken by the Company, and also participated actively in various deliberations of the Board of Directors, including those relating to strategy, financial and operational controls. Your Directors wish to record their sincere appreciation for the advice and guidance provided by Mr. Gandhi during his tenure as a Director.

As reported last year, Mr. P.T Siganporia retired as Director and Managing Director of the company with effect from 30th June 2012 and Mr. Harish Bhat took over as the Managing Director with effect from 1st July 2012.

Mr. L Krishnakumar was appointed as an additional Director and as Executive Director by your Board with effect from 1st April 2013. Mr. L Krishnakumar has been associated with the Tata Group since 2000 - initially with The Indian Hotels Company Limited as its Vice President – Finance and since 2004, he has been with the Company as the Group Chief Financial Officer. The appointment and remuneration of Mr. L Krishnakumar will come up for approval of the members at the forthcoming Annual General Meeting. Mr. L Krishnakumar is a Chartered Accountant and has also obtained professional qualifications in Cost Accountancy and Company Secretarial Services and has over 30 years experience in a variety of industries including consumer goods, hotels, manufacturing and consulting. Mr. L Krishnakumar is also a Director on the Board of several overseas subsidiaries of your Company.

Mr. S Santhanakrishnan was appointed as an additional Director by your Board with effect from 28th May 2013. Mr. S Santhanakrishnan, FCA is the partner of PKF Sridhar & Santhanam, Chartered Accountants and has more than 30 years of experience in Finance, Accounts including IFRS, Strategy & Planning, Global Assurance, Corporate laws and Consulting. He is a member of the Central Council of the Institute of Chartered Accountants of India (ICAI). He is actively involved in numerous industry oriented initiatives of the Reserve Bank of India and the Ministry of Corporate Affairs. The appointment of Mr. S Santhanakrishnan will come up for approval of the members at the forthcoming Annual General Meeting.

Mr. F K Kavarana, Mrs. Ranjana Kumar and Mrs. Mallika Srinivasan retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Brief particulars and expertise of these Directors and their other directorships and committee memberships have been given in the annexure to the Notice of the Annual General Meeting in accordance with the requirements of listing agreement with Stock Exchanges.

All these directors have filed Form DD-A with the Company as required under the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003.

Your Directors are deeply distressed to report the sad and untimely demise of Mr. J S Bilimoria on 3rd May 2013. Mr. Bilimoria joined the Board of your Company in January 2009 and was also the Chairman of the Audit Committee since January 2010. Mr. Bilimoria made significant contributions to the deliberations at both the Board and Audit Committee meetings as well as at other Committees of the Board of which he was a member. We offer our condolences to Mrs. Bilimoria and her other family members on this tragic and untimely loss.

### 15. Auditors

The Members are requested to appoint the Auditors and fix their remuneration. Messrs. Lovelock and Lewes, the retiring Auditors have furnished certificate of their eligibility for re-appointment as required under the Companies Act, 1956.

### 16. Cost Auditors

The Central Government has approved the appointment of M/s. Shome and Banerjee, 5A Nurulla Doctor Lane, 2nd Floor, Kolkata - 700017 as cost auditors for the Company for conducting Cost Audit for the financial year 2012-13. The due date for filing the Cost Audit Report for the financial year ended 31st March 2012 was 31st January 2013 and the Cost Audit Report was filed by the Cost Auditors on 27th December 2012. The due date for filing the Cost Audit Report for the financial year ended 31st March 2013 is 30th September 2013.

### 17. Particulars of Employees

Information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report. However as per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the report and accounts are being sent excluding the statement containing the particulars to be provided under Section 217(2A) of the Companies Act 1956. Any member interested in obtaining such particulars may write to the Company Secretary for a copy thereof.

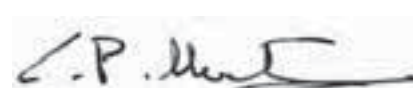
### 18. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report.

### 19. Concluding Remarks

The Directors are sure that the shareholders would like to join them in conveying their appreciation to all employees of the Company for their sincere and dedicated services during 2012-13, without which such commendable performance would not have been possible in a relatively challenging global environment.

On behalf of the Board of Directors



(CYRUS P MISTRY)

Chairman

Mumbai,  
28th May, 2013

# Annexure to the Directors' Report

Particulars of Conservation of energy, Technology absorption and Foreign exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March 2013:

## A. CONSERVATION OF ENERGY

### 1. Energy conservation measures taken during 2012-13

#### **Pullivasal / Periakanal Estates**

- Fixation of Tuflites Sheets (translucent fibre-glass sheets)
- Thermal Insulation of the flow pipes for reducing heat leakages
- Monitoring the running of fans in the troughs

#### **Instant Tea Division, Munnar**

- Installation of energy efficient hot water generator and condensate recovery system
- Replacement of old motors with energy efficient motors in a phased manner
- Installation of new PRVs in the steam line
- Installation of Auto Start Delta convertor for some of the heavy duty motors

#### **Tetley Division, Kochi**

- Upgrading the Compressor control drive
- Conversion of office lighting from CFL to LED and Metal Halide exterior lighting to LED
- Replacement of old window air conditioning units with 5 star rated units
- Installation of Occupancy Sensor in the Paper storage room

#### **Bangalore and Pullivasal Packaging Centres**

- Installation of Variable Frequency Drive of 100 HP capacity for the Compressor
- Replacement of 3 HP motor driver CFC movement conveyer with roller conveyer
- Installation of LED lights in the packing unit

### 2. Additional investment and any new proposal under implementation aimed at energy conservation

The workers in the estates are provided CFLs at a highly subsidised rate in easy installments.

The approximate investment made by the Instant Tea Division, Munnar (ITD) for the various initiatives were around Rs. 35 lakhs. ITD will also be taking up the following initiatives during the year 2013-14, at an approximate additional investment of around Rs. 40 lakhs.

- Installation of auto blow down system for the Boilers
- Replacement of old steam traps with upgraded technology traps
- Replacement of existing screw chiller system with an advanced technology Vapour Absorption Machine (VAM)
- Phase wise replacement of heavy duty motors with energy efficient ones

Besides continuing with replacement of CFL lighting fixtures with LED and replacement of old air conditioners with fuel efficient ones, the Kochi unit is planning installation of Solar water heater for use in the tea tasting room. These measures are expected to cost about Rupees two lakhs.

### 3. Impact of the measures taken

The use of tuflites sheets and CFLs in Pullivasal/Periakanal estates has resulted in significant saving of power.

In Instant Tea Division, the energy conservation measures initiated is expected to generate a savings of around Rs. 40 lakhs per annum from 2013-14 onwards and an additional savings of around Rs. 15 lakhs per annum will result from the investments that will be made during the year 2013-14.

In Kochi unit, the energy conservation measures resulted in power savings and cost saving of about Rs. 4.90 lakhs.  
The installation of VFD in the Pullivasal packeting centre resulted in reduction of electricity consumption by about 15%.

## Form A

Disclosure of Particulars With Respect to Conservation of Energy

	2012-13	2011-12
<b>Power and Fuel Consumption</b>		
<b>Electricity Purchased</b>		
Units (Lakhs kwh)	119.49	121.48
Total amount (Rs/Lakhs)	761.45	619.81
Rate/Unit (Rs/kwh)	6.37	5.10
<b>Own Generation (Through Diesel Generators)</b>		
Units (Lakhs kwh)	24.83	14.64
Total amount (Rs/Lakhs)	369.42	188.61
Units/Ltr of diesel	3.61	3.33
Rate/Unit (Rs/kwh)	14.88	12.88
<b>Coal</b>	-	-
<b>Furnace Oil</b>		
Quantity (kl)	2625.09	2797.89
Total Cost (Rs/Lakhs)	1013.41	989.54
Average Rate (Rs/kl)	0.39	0.35
<b>Others - Firewood</b>		
Quantity (Lakhs/Cu.Mt)	0.30	0.31
Total Cost (Rs/Lakhs)	425.42	447.87
Average Rate (Rs/Cu.Mt.)	1440.43	1446.44
<b>Consumption Per Unit of Production</b>		
<b>Tea</b>		
Electricity (Units/Kg of Tea)	0.14	0.16
Firewood/1000 kg of sifted tea	8.27	10.38
<b>Instant Tea</b>		
Electricity (Units/Kg of Tea)	2.79	2.60
Furnace Oil (Ltrs /Kg of Tea)	1.54	1.56
<b>Coal</b>	-	-
Others - Firewood (Cu.Mt's/Kg of Tea)	0.008	0.006

Previous year's figures have been regrouped/reclassified wherever necessary.

Electricity purchased was marginally lower in 2012-13 as the own units generated was higher.

Unit rates of electricity purchased / own generation, average rate per kl. of furnace oil were higher due to cost inflations.

Quantity of fire wood purchased was slightly lower in 2012-13 due to lower availability.

In the Instant Tea division, the unit consumption per Kg of tea has gone up due to lower production. Dependency on furnace oil was reduced by marginally increasing usage of firewood.

## Form B

### 1. Specific areas in which Research and Development (R&D) is being carried out in the Company

The Global R&D team based out of Bangalore, Greenford and Montvale focuses on new product, process development and science based development projects to support the global growth agenda. Optimum utilisation of resources from across the globe is facilitated by sharing of knowledge and allocating resources to other geographies. Other areas of focus are Packaging development support and technical support to ensure timely resolution of issues and product compliance. The R&D also works closely with trade organisations and regulatory bodies.



# Annexure to the Directors' Report

continued

The new product and process development program covers tea and non tea based products identified for the region. This includes working to develop new products to meet specific consumer demands and expectations, working with ingredient companies on specific functional ingredients, managing collaborative projects with Companies within the Tata Group and outside, and investigating opportunities for new collaboration to leverage knowledge within Tata Group and outside. A key area is the development support given for development of the 'good for you' beverages, meeting the vision of the Company. An example of this effort is the focus on functional beverages to support MEMW and NourishCo Beverages, the joint venture between PepsiCo and TGBL.

The technical support and audit programme provides data on product and packaging to monitor conformance to quality requirements. The technical support projects include development of packaging materials and their testing to meet internal requirements, analyses of packaging for conformance to specifications, exploration of new packaging options from a cost saving perspective and to address product safety concerns, analytical method development and the analytical programs to support product development and product analysis and facilitating external analyses of finished products to ensure product safety and conformance to the national quality specifications.

Development of New Products and Processes involves understanding customer need state through interaction with Marketing teams and use of new ingredients, concepts and delivery formats to supplement the healthy image of tea and meeting the changing consumer needs, and scouting for and identifying applicable technologies and processes to suit the requirements of the development programs. This work includes discussions with global suppliers, experts and leaders in respective areas, to evaluate their offerings and technologies. This has helped the company to improve the current knowledge base. Exploratory discussions with potential Global technology collaborators during this year have improved the internal capabilities, which will be leveraged to provide future technological solutions and potential new products through innovation.

Collaborative research, sponsored analytical work and technical discussions were held with institutions like CFTRI, NDRI, SNT Women's University, NIN, IIP and Commercial technological establishments like Alfa Laval, GEA, Nichrome, and key vendors like Kerry Ingredients, IFF, Givaudan, Mane, Wild and Synthite Industries, analytical facilities like MicroChem-Silliker and TUV-SUD in India. The range of activities of these collaborations were for technical resolution of issues, identification of applicable processes, analytical and process development studies, routine analysis and shelf life studies to support developmental work. R&D maintains a regular interaction with UPASI and TRA on technical matters concerning the Tea Industry.

## 2. Benefits derived as a result of R&D

The testing programme to ensure conformance of the products to Quality specifications laid down by Food Safety & Standards Regulations was completed during the year with products selected by a sampling plan including all brands and their variants of tea from all packing centers. The analyses carried out are iron filings, pesticide residues, heavy metals, naturally occurring contaminants and specifications for both Green and Black Tea. All the samples analysed show total compliance to specifications indicating Company's ongoing commitment to Quality and Consumer safety. An audit testing program to ensure conformance of Packaging materials procured to Quality specifications was also undertaken as a Annual program during the year.

R&D continues to work on local and international legislation and standards with industry committees. The interactions are with Tea Board, BIS, CII, FICCI, CIFTI in India to provide comments and proposals on regulations and draft legislation introduced by the Government. The Company also interacted with the FAO IGG Working Group, Tea Associations and Tea Packers Association and, the Indian Tea Board MRL sub-Committee on pesticides for development of new regulations for tea.

The efforts carried out by R&D have resulted in developing a pipeline of initiatives for developing new products and variants of existing products. R&D has provided support to the Global Supply Chain Function, Global Projects team and Regional Marketing function on various technical issues and their resolution.

## 3. Future Plan of Action

R&D will continue to develop a portfolio of new products and processes to compete in the 'good for you' beverage space and delivering products as per the prioritised global and regional developmental agenda. The emphasis on innovative product development will ensure contribution to the NPD funnel that is focused on keeping in step with the rapidly changing market and consumer needs as well as deliver

competitive differentiation. More focus would be given for Innovation and adoption of new technologies and processes to develop and optimise products meeting specific consumer demands.

NPD Projects of global nature with a focus on the consumer will be a key focus area. Support would be provided by way of developing technologies and products to suit the requirements of the target consumer group. More collaborative work between the Global R&D units in India, UK and USA will be undertaken with focus on greater integration and exchange of technical personnel, to enable sharing of experience and technical knowledge.

Your Company is exploring options through collaborative projects to leverage available technology and expertise within the Tata Group. Discussions are being held to identify and adopt relevant technologies, which would enable creation of innovative product solutions through use of novel or improved ingredients.

Active participation in the development of the Commercial innovation agenda to support Global and Regional Marketing Teams would be a priority. This activity coupled with scientific support is envisaged to provide a roadmap for the development of differentiated products for competitive edge in market place. Sustainability initiatives through development in packaging with a view to reduce the cost and to reduce carbon foot print would be a focus area in the coming year.

Programs to monitor compliance of tea products from a food safety perspective and testing of packaging materials to ensure compliance to quality specifications will also continue in the next year.

Work will also continue with the CII, FICCI, CIFTI, Tea Board, BIS and the regulatory body FSSAI to submit contributions on legislation relating to food safety and standards. Addressing international issues such as pesticide regulations, involvement in the development of National and International standards will continue to be part of the work programme.

Efforts to ensure protection of the IP assets of Company's interests in developmental activities will continue.

#### 4. Expenditure on R & D

	Rs. in Lakhs	
	2012-13	2011-12
Capital	11.90	30.72
Revenue	314.72	587.83
	326.62	618.55
R&D expenditure as percentage of turnover	0.13	0.29

On a consolidated basis the group spent Rs. 645.96 lakhs towards expenditure on R & D.

#### 5. Technology Absorption, Adaptation and Innovation

i. Efforts, in brief, made towards technology absorption, adaptation and innovation:

The Company is engaging in technical collaboration with various vendors and Companies to develop improved functional ingredients.

ii. Benefits derived as a result of the above efforts

The Company proposes to enter into an MOU with certain Companies to leverage their expertise in ingredient development to support new product development.

iii. Imported Technology

The Company has not imported any technology during the last five years and hence furnishing the information required under 3 (a) to 3 (d) does not arise.

#### 6. Foreign Exchange Earnings and Outgo

The FOB value of exports during 2012-13 was Rs. 152 crores, against Rs. 157 crores in the previous year. The tea bag unit at Kochi performed well and exported its products to new markets of Nigeria, US and Sri Lanka. The Instant Tea unit is working with the commercial team to

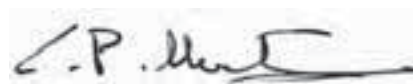
# Annexure to the Directors' Report

continued

develop SKUs for new markets. The Export Credit Guarantee Corporation (ECGC) of India has recognised your Company as the 3rd most valued exporter client of the ECGC Kochi branch.

	Rs. in Lakhs	
	2012-13	2011-12
<b>Value of Imports on C.I.F. basis</b>		
Raw Materials	5,283.35	5,091.55
Finished Goods	90.91	147.06
Stores, Spare Parts	75.30	52.50
Capital Goods	32.34	4.47
<b>Expenditure in Foreign Currency</b>		
Selling Expenses	-	36.77
Foreign Travel	168.49	79.84
Professional Fees	546.69	544.17
Management Fees	2,942.41	2,573.13
Other Expenses	123.38	70.29
<b>Foreign Exchange Earned</b>		
Value of Exports at F.O.B.	15,225.69	15,731.27
Technical Service Fees – Gross	105.63	98.30
Dividend – Gross	5,428.45	3,978.44
Management Service Fees	1,764.60	819.70
Others (Freight, Insurance, etc.)	652.57	778.99

On behalf of the Board of Directors



**(CYRUS P MISTRY)**

Chairman

Mumbai,  
28th May, 2013

## Business Overview

The Chinese Poet Lu-Wah had famously said that “Tea is water bewitched”. In the modern world, this is perhaps true of all natural beverages – including tea, coffee and water – because with every cup, these much loved beverages elevate and transform the lives of people who drink them, across the world.

Your Company is fortunate to be in the space of natural beverages, and seeks to make a big and lasting difference to the world of tea, coffee and water. We will pursue an overarching strategy of building on our strengths – unique competencies, differentiated offerings, appealing brands and significant scale – in these three natural beverage categories. Currently, of these three categories, branded tea accounts for around 70% of our revenues, coffee around 20%, water and other products constitute the rest.

Your Company is also equally privileged to be a global business, with over 65% of our consolidated revenues coming from markets outside India, such as the United Kingdom, USA, Canada, Russia, France, Australia and Europe. Approximately 90% of our revenues come from sale of branded products in over 40 countries. The remaining 10% of our revenues are delivered by our plantations and extraction businesses.

As a global natural beverages Company, we will utilise both our geographical and product range to create value for all our stakeholders, including our consumers, communities and shareholders.

## Industry Structure - Global Economic, Consumer and Competitor Trends

The year 2012-13 presented a mixed and challenging picture insofar as global economic trends were concerned. Developing markets, including India and China, witnessed good GDP growth, albeit at significantly lower levels than in previous years. Europe continued to experience recessionary trends, with several countries in that continent passing through difficult conditions. The Americas, on the other hand, appear to have recorded some progress with reference to the previous year.

In these challenging times, two consumer trends emerged. First and foremost, consumers continued to seek better value in most FMCG categories, including beverages such as tea and coffee. A second trend that stood out, in sharp contrast to the above, was the growing aspiration for premium and luxury brands in a more affluent segment of the population.

In the trade, retailer consolidation continued to be the order of the day. Apart from developed countries in UK, Europe, Americas and Australia where large retailers have dominated the landscape over the past several years, modern trade has also now begun making significant inroads in markets such as Russia and India. Competition continued to be intense, with global majors in tea and coffee making significant investments in their brands particularly in the UK, USA, Canada, Russia and India, and with private label players also gaining market share in developed markets. All these factors, coupled with a volatile commodity environment, makes for a very challenging environment.

Your Company however performed relatively well in this scenario, through investment in a strong brand portfolio, a consistent focus on quality and value, and a sharp focus on product innovation.

## Industry Structure – Commodity Trends

Globally, made tea production in 2012 was estimated to have increased to 4,681 million kgs. in 2012, compared to a figure of 4,449 million kgs. in 2011. This represents an increase of just over 5%. A large part of this increase was on account of higher tea output in China, though this was partly offset by declines in production in Africa, Indonesia and South America.

In general, and also on account of the above declines in production outside China, commodity tea prices witnessed an upward trend during the year under review. This trend was particularly sharp in India and in Africa, with prices in 2012 stabilising far above the 2011 levels. Price forecasts for the current year continue to remain mixed, though Kenya has witnessed better than normal cropping conditions and hence lower prices in the initial months of the year.



# Management Discussion and Analysis Report

continued

The coffee segment displayed price trends quite at contrast to the tea market. Prices of Arabica coffee continued to decline during the year, ultimately reaching new lows on the last trading day of the year. Prices are now at less than half the peak levels which existed two years ago. Prices of Robusta coffee witnessed a similar declining trend at the start of the year under review, but firmed up towards the end of the year on news of lower crop forecasts due to drought conditions in Vietnam, which is the largest producer of the Robusta variety. Consequent to the above, the difference in prices between Arabica and Robusta coffees has now shrunk significantly, which is likely to have a sustained impact on the relative usage patterns of these varieties.

## Consolidated Financial and Operating Performance

The consolidated financial highlights for 2012-13 are as follows:

	2012-13	2011-12	Variance
Operating Income	7,351	6,640	711
Operating Profit	663	527	136
Profit before exceptional items and taxes	665	551	114
Exceptional items (net)	(28)	23	(51)
Profit before tax	637	574	63
Profit after tax	473	432	41
Group Consolidated net profit	373	356	17

Rs. in Crores

Tata Global Beverages achieved steady growth in revenues in a challenging global environment, notwithstanding recessionary trends in many parts of Europe. The Group recorded good sales volume increases in India and Australia, with positive movement in market shares. The significant growth in operating profits was led by an unrelenting focus on margins, costs, innovation and execution, and also by the softening of commodity prices of Arabica coffee.

Income from Operations for the year was higher as compared to the prior year by 11%. Exchange rate movements also had a favourable impact on the income for the year. The underlying growth over the prior year was driven by improvements in both the branded and non-branded businesses. The branded business improvement against prior year has come from markets like India, USA and Australia.

Profit from Operations was ahead of the prior year led by a smart recovery in the US branded coffee performance, as well as strong brand performances in India, Australia and the Plantation and Extraction businesses. Favourable impact of cost interventions also contributed to the improvement. The Group continued to invest behind its brands with major marketing campaigns in the United Kingdom, Canada, India and Australia. The non-branded business also performed well with improvements in volume and realisations.

Finance cost was higher compared to the prior year attributable to higher level of borrowing in certain parts of the business and currency translation impact.

Exceptionals mainly represents costs relating to restructure of corporate activities in the UK and provision for retirement benefit obligations and costs incurred on long term initiatives which has been partly offset by the profit on sale of a non-core investment. The prior year mainly had the benefit of a higher profit from sale of a non-core investment.

The tax rate for the year is largely in line with the previous year and was favourably impacted by the recognition of deferred tax assets in certain markets due to restructuring.

Profit after tax for the year at Rs. 473 crores was higher than the prior year driven by improved operating performance.

## Standalone Financial and Operating Performance

Rs. in Crores

	2012-13	2011-12	Variance
Total Revenue	2,439	2,129	310
Profit before exceptional items and taxes	303	287	16
Exceptional items (net)	18	83	(65)
Profit before tax	321	370	(49)
Provision for tax	62	67	(5)
Profit after tax	259	303	(44)

Total Revenue for the year at Rs. 2,439 crores increased by 14.5% over the previous year driven by higher volumes and improved performance in branded tea operations coupled with the impact of price increases. Profit before exceptional items and taxes at Rs. 303 crores are higher compared to the previous year attributable to improvement in operations.

Exceptional Income during 2012-13 represents profit on sale of a non core investment partly offset by a provision for retirement benefit obligations and long-term initiatives whereas the prior year had the benefit of a significantly higher quantum of profit from sale of a non core investment.

Profit before and after tax was lower than the previous year attributable to higher exceptional profit in the previous year.

### Product / Brand Performance - Tea & Coffee

Overall, the year under review was a positive period for countries such as India, Australia and USA. However, both the Canadian and UK black tea businesses came under pressure during the year, because of market declines and intense competitor activity. Other markets such as Russia, Poland, Czech Republic, Bangladesh and Pakistan wrestled with challenges, but made progress towards achieving their strategic goals. Non-branded businesses, including plantations, and coffee extractions, delivered one of the best ever years in your Company's history.

Some key country-wise highlights of the year under review are given below, which provide an overview of several important aspects of product and brand initiatives, as well as performance :

#### United Kingdom

- Launch of a major new marketing campaign for Tetley, with the theme of "Make Time, Make Tetley"
- Launch of new products, in particular Tetley "Blend of Both" and Tetley "Estate Selection"
- Consolidation of Tetley's strong market position in green tea, decaffeinated tea and redbush tea
- Decline in the black tea market by 3.6%, with brand Tetley also being adversely impacted
- Significant progress and growth of our super-premium brand, Tea Pigs

#### Canada

- Launch of a new marketing campaign for Tetley, with the theme of "Body, Mind, Soul"
- Launch of a range of Tetley "Green Tea Plus" blends, and a range of delicious herbal "mocktails"
- Introduction of Tetley Tassimo single-serve discs, post finalisation of an agreement with Tassimo / Kraft
- Distribution of Tata Tea, the Indian market leader brand, in key Canadian markets which have significant Indian population

## Australia

- Continued focus on innovative new products, including Tetley Chai Latte
- Launch of a range of specialty teas, under the Tetley brand

## United States of America

- Launch of new flavour and product variants of Eight O'Clock Coffee
- Introduction of Eight O'Clock Coffee K-Cups, which are single serve cups marketed under the trademark licensing agreement with Keurig
- Continued focus on the Good Earth Tea and Tetley tea brands

## India

- Achievement of value market leadership in the branded tea segment in India, which is a proud milestone. This is in addition to the volume market leadership which our business had already achieved
- Good volume and value growth in the flagship Tata Tea brand – including Tata Tea Premium, Tata Tea Gold and Tata Tea Agni. These were supported by the “Soch Badlo” and “Badi Patti Choti Patti” marketing campaigns, during the course of the year
- Continued growth of our regional brand portfolio, in particular Chakra Gold and Kanan Devan, supported by strong distribution expansion and other initiatives
- Very good growths of the Tetley brand which is positioned in the premium segment of the market, the teabags range and green tea
- A focused “Gaon Chalo” campaign, designed to take our brands to the hinterlands of rural India
- Commissioning of a new tea factory located at Sampla in Haryana state, to support the growing sales volumes
- Commencement of operations by our Joint Venture Company, Tata Starbucks Ltd., which rapidly scaled up and opened 12 stores by end of the year under review; and launch of a customised coffee roastery by Tata Coffee Ltd. to cater to the needs of this joint venture.

## Other countries

- Russia witnessed the introduction of the Grand Melange range of freeze dried coffee (FDC). FDC is now the fastest growing part of our Russian product portfolio
- Poland saw a relaunch, in new packaging, of the Tetley and Vitax brands, as well as a focus on transforming the business model in that country
- The Czech Republic was driven by re-entry into specific retail trade, and launch of new flavours of teas
- In Spain and in Switzerland, new listings were gained in the retail trade
- Our South African joint venture recorded good progress, with a strong No. 2 position in Rooibos tea. A first shipment was also recorded to Nigeria, during the year
- In Pakistan, “Tetley Gold” was introduced in the mid-premium segment with a new blend, and has registered good initial success

### Product / Brand Performance – Water

Since water is our Company's newest and youngest product category, we specifically introduce and highlight key areas of progress and performance in this section.

Himalayan, our premium brand of water sourced directly from an underground aquifer in the Shivalik range of the Himalayas, gained good distribution and made rapid progress. It is today the preferred brand across a range of fine dine restaurants and cafes, and has established high consumer awareness and salience. During the year under review, a major advertising campaign for Himalayan water was launched across various media, and the sales & distribution arrangements through our joint venture Company, NourishCo, were further reinforced. The brand is likely to soon reach a stage in its life-cycle where international expansion will become active on the agenda.

Tata Water Plus (TWP), the brand of fortified water for every Indian, also expanded its reach and distribution significantly during the year. The first variant of TWP which was launched was fortified with zinc and copper, and is now available in Tamil Nadu and Andhra Pradesh states, both in one litre PET bottles and in smaller single-use pouches which contain 200 ml. each. TWP provides consumers an unique opportunity to treat every point of water consumption as an opportunity to not merely quench thirst but to also add health to themselves. This product was developed in collaboration with international scientists and Indian nutritional experts, and your Company holds proprietary rights for the same. During the year, TWP was also relaunched by our joint venture, NourishCo, with impactful repackaging, and an appealing advertisement campaign.

The third water based product marketed by NourishCo is Tata Gluco Plus (TGP), which brings consumers a delightful, tasty and healthy beverage that combines the goodness of glucose with very enjoyable flavours, at an affordable price. TGP received excellent consumer response, and is now available in Tamil Nadu and Andhra Pradesh states. During the year, two new TGP flavours were launched – Orange and Mango, in addition to the existing flavor of Lemon.

In the USA, your Company is a significant investor in a small start-up Company which markets a fresh vitamin water brand called "Activate". This is still in an early experimental stage, and with successful marketing efforts, can hold good potential for the future.

Overall, the water category in our portfolio of products continued to expand, and steps were also taken during the year to fine-tune the business model of all the above brands.

### Outlook – Consumer, Commodity and Competition

As detailed earlier in this document, the market environment continues to be quite different across continents, and these opportunities and challenges are likely to continue during the year ahead.

Consumer optimism in Asia, the Americas and Australia is likely to be higher than in Europe, over the next several months. Most consumers are likely to seek value at the mid-end of the market, even as some discerning consumers pursue aspirational and super-premium products.

The outlook on tea commodity costs remains mixed and a definite direction will only be visible later in the year. Coffee commodity costs are likely to remain muted and well below the historical peaks achieved.

We expect competition will continue to be intense, across the categories of tea and coffee, and also in the premium water segment. Both global and local players will continue to invest strongly in their brands, and if commodity prices dip we could see a resurgence of local players in the Indian tea market. The growth of private own-label brands launched by retail stores will also pose strong competition, in many developed markets.

Your Company will respond to this challenging environment with a strong pipeline of product innovation, and sharply focused product-segment strategies, to drive profitable growth. A renewed focus on rapidly growing segments within the tea and coffee categories will be in place.

In the water category, your Company will focus on aggressive expansion plans, for Himalayan water, TWP and TGP. Given the size of this category and our first-mover advantage in India, every effort will be made to expand distribution and strengthen these brands.



# Management Discussion and Analysis Report

continued

## Outlook - Interest Rates and Exchange Rates

Given the global operations of your Company, both interest rates and exchange rates in various currencies / geographies are of significant importance to our business.

In most of the geographies we operate in, interest rates continued to be benign, on the back of recessionary headwinds and economic uncertainty, except in India. In India, inflationary pressures ebbed slowly in the second half of the fiscal and helped in lowering of signal interest rates. Strong commodity costs, mainly in tea, resulted in higher working capital borrowings. However, we continued to protect the Group's overall liquidity position.

The Group's foreign currency exposures continue to be mainly in respect of GBP against USD and INR against USD. We also have exposures in Euros, Russian Rouble, Australian Dollars and Canadian Dollars. Persistently weak INR helped in augmenting export revenues out of India. However, GBP weakness against USD, from the third quarter of the fiscal exacerbated concerns over payables out of UK. The company has managed to mitigate currency exposure risks by adhering to the mandate of policies approved by our Board of Directors in this regard. In order to protect currency exposures, a mix of forward contracts and simple option contracts were used.

## Opportunities and Threats

The biggest single opportunity for your Company is the global consumer trend towards health and wellness. Natural beverages such as tea, coffee and water are strongly aligned to this trend, which is therefore likely to greatly benefit your Company, now and in the future.

Our strong brands – including our flagship brands Tetley, Tata Tea and Eight O'Clock coffee – also constitute a big opportunity, as we expand their range and strengthen their presence.

Our joint ventures with PepsiCo, Starbucks and Activate are also significant sources of future opportunity. We thank these Organisations for helping build robust partnerships.

The nascent water category, with its large potential ahead of us, also remains a very large future opportunity.

Threats to our business could arise from strong competitor activity, high commodity volatility or dilution of margins due to multiple reasons. The decline of the black tea market in specific countries is also a potential threat.

## Risks and Concerns

The risks of swift changes in commodity prices or rapid currency rate fluctuations remain, and your Company's management is constantly watchful for the same. These could cause significant inflation in commodity input costs, thereby leading to dilution of margins and earnings, which could in turn limit our scope to innovate, invest and expand.

In the water category, while the size and scope is large, competition is intense and existing brands in the premium segment are well entrenched globally. Competing with these brands globally will require investments in the future. In value-added waters including fortified waters, bringing to timely commercial fruition new product development using appropriate technologies is also a risk and concern, and this subject is therefore high on your Management's agenda.

## Human Resources and Industrial Relations

### Culture change and employee engagement

A team of highly motivated and imaginative employees from different teams and geographies are working together to create an energising charter for the Tata Global Beverages Group. The mission of the charter is to make people feel good about themselves and the Company they work for. Energisation of the entire global workforce, on the back of a clear vision and purpose, continues to be a priority.

Employees across the world were also constantly engaged through direct quarterly communication sessions addressed by the CEO, and more frequent communication sessions in their respective countries and teams. During the past months, your Company's long-term vision, purpose and strategy were also communicated and discussed with team members in various global locations, to ensure a strong sense of ownership and alignment.

For strategic reasons, the Tata Global Beverages group relocated some global functions from UK to India during the year under review. This relocation was carried out smoothly and in the best traditions of the Tata Group. Consequently, effective around November 2012, the Senior Management of the Group and certain global functional heads are operating from India, while other Global functional heads will continue to be based in the UK and USA.

### **Human Resources Management**

The Regional HR teams, located in three continents, continue to drive the business forward through the implementation of strategic HR process and practices. The Global Chief Human Resources Officer (CHRO), who leads this function, provides overall direction for this effort.

The industrial relations situation across all locations of the Tata Global Beverages Group remained harmonious. The total number of employees on the rolls of Tata Global Beverages Limited as of 31st March 2013 was 2,489. The Beverages group, which includes the Company's subsidiaries, employs more than 8,000 people, including plantation workers.

### **Internal Controls and Governance**

Your Company has adequate internal controls and systems to ensure that all its assets are fully protected. The Internal Audit Department carries out an audit of the transactions based on a programme approved by the Audit Committee. The Audit Committee of your Company periodically review the observations made by the internal auditors in their reports with specific focus on the control environment and suggest measures for improvement where necessary. The senior management also periodically reviews the internal controls and follow up on audit observations. The Tata Code of Conduct prescribed guidelines outlining the key disclosure and governance requirements besides mandating the observance of applicable statutory requirements by the Company. Your Company and its senior management have affirmed adherence to the Code.

### **Cautionary statement**

Certain statements made in this report relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamity, currency rate changes, among others over which the Company does not have any direct control.

### **Conclusion**

Your Company is very conscious that it operates in a highly challenging and dynamic global environment, where realities vary between continents and countries. We believe that the best way to navigate this environment is by constructing a robust strategy that puts consumer needs first, and thereafter focusing on sharp execution of that strategy. You will be happy to note that we have acted on both these priorities – robust strategy and perfect execution – and we believe that this will constitute a winning combination that, alongwith passion and commitment, will make us the finest natural beverages company on this planet.

# Report on Corporate Governance

## 1. Company's Philosophy on Code of Governance

The corporate governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition. The corporate governance philosophy of the Company has been further strengthened through the Tata Code of Conduct, Tata Business Excellence Model, Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure policies.

As a global organisation the corporate governance practices followed by your Company are compatible with international standards and best practices. As a responsible corporate citizen, your Company had established systems to encourage and recognise employee participation and volunteering in environmental and social initiatives that contribute to organisational sustainability, systematic training, learning and personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighbouring community etc. These actions have become an integral part of your Company's operating plans and are not meant for building of image or publicity.

## 2. Board of Directors

As on 31st March 2013 the Company had 12 directors and the composition of the Board of Directors is given in the table below. The Chairman of the Board is a non-executive director and 83.33% of the Board comprised of non-executive directors. In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, at least 50% of the Board should comprise of non-executive independent directors. The non-executive independent directors constituted 58.33% of the Board as at 31st March 2013.

### A. Composition & Category of Directors, attendance of each Director at the Board Meetings and at the last AGM, number of other Boards or Board Committees in which he/she is a Member or Chairperson, number of Board Meetings held, dates on which held

Composition of Board of Directors as at 31st March 2013		
Category	Number of Directors	%
Non-independent directors	3	25.00
Managing & Executive directors	2	16.67
Non-Executive Independent directors	7	58.33
	<b>12</b>	<b>100.00</b>

During 2012-13, Mr. Ratan N Tata, Non-Executive Non-Independent Director had stepped down from the Board of Tata Global Beverages Ltd effective 28th December 2012, upon his completing 75 years of age, in line with the policy adopted by the Board for retirement of Directors. Mr. A R Gandhi, Non-Executive Non-Independent Director also stepped down from the Board effective 15th March 2013, upon his reaching the age of retirement, in line with the policy adopted by the Board for retirement of Directors. Mr. P T Siganporia retired as Managing Director effective 30th June 2012.

Mr. Cyrus Mistry and Mr. Darius Pandole joined the Board as Directors with effect from 22nd June 2012. Mr. Cyrus Mistry was appointed Chairman of the Board effective 20th November 2012.

Mr. Harish Bhat joined the Board as Director and Managing Director with effect from 1st July 2012.

Mr. L Krishnakumar was appointed as Director and Executive Director with effect from 1st April 2013 at the Board Meeting held on 25th March 2013.

Mr. S Santhanakrishnan was appointed as Director with effect from 28.05.2013 at the Board Meeting held on 28th May 2013.

Mr. J S Bilimoria ceased to be a Director of the Company consequent to his sad and untimely demise on 3rd May 2013.

**Details of attendance of Directors at Board Meetings and at the last year's Annual General Meeting with particulars of their other Directorships and Chairman/Membership of Board Committees (excluding Tata Global Beverages Limited) showing the position as at 31st March 2013 are given in the following table:**

Name of Director	Position	Attendance at		Directorships and Chairman/ Membership of Board Committees in other Indian public companies		
		Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
Mr. Cyrus Mistry+	C, NED & NI	7	Yes	9	1	-
Mr. R N Tata*	C, NED & NI	4	Yes	NA	NA	NA
Mr. R K Krishna Kumar	VC, NED & NI	9	Yes	12	1	1
Mr. U M Rao	NED & I	9	Yes	2	2	1
Mrs. M Srinivasan	NED & I	4	No	6	1	-
Mr. A Singh	NED & I	2	No	11	-	-
Mr. J S Bilimoria	NED & I	5	No	9	3	4
Mr. F K Kavarana	NED & NI	8	Yes	9	4	2
Mr. A R Gandhi**	NED & NI	8	Yes	NA	NA	NA
Mr. V Leeladhar	NED & I	8	Yes	3	1	-
Mrs. Ranjana Kumar	NED & I	8	Yes	4	2	1
Mr. Darius Pandole#	NED & I	6	Yes	1	1	-
Mr. P T Siganporia***	MD	2	NA	NA	NA	NA
Mr. Harish Bhat****	MD	7	Yes	2	-	-
Mr. Ajoy Misra	ED	9	Yes	2	2	-

+ Appointed as Director from 22.06.2012 and as Chairman from 20.11.2012

\* Stepped down as Chairman from 20.11.2012 and retired as Director from 28.12.2012

\*\* Retired as Director from 15.03.2013

# Appointed as Director from 22.06.2012

\*\*\* Retired as Managing Director from 30.06.2012

\*\*\*\* Appointed as Managing Director with effect from 01.07.2012

C : Chairman; VC : Vice Chairman; NI : Non-Independent; NED : Non-Executive Director; I : Independent Director; MD: Managing Director; ED: Executive Director; NA : Not Applicable

**Note:** Other Directorships do not include, directorships of private limited companies, foreign companies, Section 25 companies and alternate directorships.

Other than the Managing and Whole-time Directors, all Directors are liable to retire by rotation.

Minutes of the meetings of all the Board and Committees are circulated to all the Directors.

Particulars about a Director proposed for re-appointment as well as the Directors who are retiring by rotation and eligible for re-appointment have been given in the attachment to the Notice and Explanatory Statement.

The Company has received declarations on seven criteria of independence as prescribed in Clause 49.IA (iii) of the Listing Agreement from the Directors of the Company who have been classified as Independent Directors.

No Director of the Company is related to any other Director of the Company.

# Report on Corporate Governance

continued

## B. Non-Executive Directors' compensation and disclosures

The Non-Executive Directors, including Independent Directors, are paid Sitting fees for attending the meetings of the Board and Committees of the Board. The Company pays a fee of Rs. 20,000 per meeting per director for attending meetings of the Board, Audit and Executive Committees. For meetings of all other Committees of the Board, a Sitting fee of Rs. 10,000 per meeting per director is paid. Within the ceiling of 1% of net profits of the Company computed under the applicable provisions of the Companies Act, 1956, the Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is determined by the Board. The basis of determining the specific amount of commission payable to a Non-Executive Director is related to his attendance at meetings, role and responsibility as Chairman/Member of the Board/Committees and overall contribution as well as time spent on operational matters other than at the meetings. The shareholders of the Company had approved payment of commission to the non-executive directors at the Annual General Meeting held on 1st September, 2009, which is valid up to the financial year ending 31st March, 2014. No Stock option has been granted to the Non-Executive Directors.

## C. Other provisions as to Board and Committees

During 2012-13, the Board met nine times on 23rd May 2012, 22nd June 2012, 23rd July 2012, 31st August 2012, 31st October 2012, 20th November 2012, 31st January 2013, 14th March 2013 and 25th March 2013. The maximum time gap between two board meetings was less than four months. As will be noted from the table given above no director is member of more than 10 Board Committees or Chairman of more than 5 Board Committees across all companies where he/she is a Director.

Chairmanship/Membership of Board Committees includes membership of Audit and Investors'/Shareholders' Grievance Committees of Indian public limited companies only as clarified by SEBI.

## D. Code of Conduct

Tata Code of Conduct is a comprehensive written code which is applicable to all employees including the Managing and Executive Directors. A condensed code of conduct applicable to the Non-Executive Directors was laid down by the Board. Both the Tata Code of Conduct and the Code of Conduct for Non-Executive Directors have been posted on the website of the Company.

In respect of financial year 2012-13 all Board members and Senior Management personnel of the Company have affirmed compliance with the code as applicable to them.

## 3. Audit Committee

### i. Brief description of the terms of reference

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee include:

- a. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- b. Review with the management and statutory auditors of the annual financial statements before submission to the Board;
- c. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- d. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- e. Review of the financial reporting process and disclosure of financial information;
- f. Review of the adequacy of the internal audit function;



- g. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- h. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- i. Authority to investigate into any matter covered by Section 292A of the Companies Act, 1956;
- j. Reviewing the Company's financial and risk management policies.

#### ii. Composition, names of members and Chairperson

As of 31st March 2013, the Audit Committee consisted of five Directors, all of whom are Non-Executive Directors. Four of them, including the Chairman are Independent Directors. All the members of the Audit Committee are financially literate as defined in Clause 49.II.(A).(ii) of the Listing agreement.

Mr. J S Bilimoria, Chairman of the Audit Committee, (since deceased) had expert knowledge in finance and accounting. He was not present at the last Annual General Meeting of the Company held on 31st August 2012 as he was indisposed. However, the Board at its Meeting held on 31st August 2012 had authorised that in the event of the Chairman of the Audit Committee not being able to be present at the Annual General Meeting, Mr. U M Rao, Non-Executive, Independent Director be authorised to be the Officiating Chairman for the purpose of Clause 49 of the Listing Agreement. Mr. U M Rao was present at the last Annual General Meeting held on 31st August 2012.

**The composition of the Committee as on 31st March 2013 and particulars of attendance by the members are given in the table below:**

Name	Category	No. of meetings during 2012-13	
		Held	Attended
Mr. J S Bilimoria	Independent, Non-Executive	8	7
Mr. R K Krishna Kumar	Non-independent, Non-Executive	8	6
Mr. A R Gandhi (Upto 15.3.2013)	Non-independent, Non-Executive	8	8
Mr. U M Rao	Independent, Non-Executive	8	8
Mr. V Leeladhar	Independent, Non-Executive	8	8
Mrs. Ranjana Kumar	Independent, Non-Executive	8	8

#### iii. Meetings and attendance during the year

During 2012-13, eight Audit Committee meetings were held on 22nd May 2012, 18th June 2012, 20th July 2012, 17th August 2012, 5th October 2012, 29th October 2012, 13th December 2012 and 30th January 2013. The Committee Meetings are attended by invitation by the Managing Director, Executive Directors, Group Chief Finance Officer, Vice President-Finance, Chief Internal Auditor, the Statutory Auditors and the Management Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

## 4. Remuneration Committee

#### i. Brief description of terms of reference

The Board has set up a Remuneration/ESOS Compensation Committee. This Committee is responsible for recommending to the Board, the remuneration package of Managing and Whole-time Directors, including their annual increment and commission after reviewing their performance.

#### ii. Composition, name of members and Chairperson

As of 31st March 2013, the Remuneration/ESOS Compensation Committee consisted of 5 directors, all of whom are non-executive directors. Mrs. Ranjana Kumar, Independent Director is the Chairman of the Committee.

# Report on Corporate Governance

continued

The composition of the Committee as at 31st March 2013 and particulars of attendance by the members are given in the table below:

Name	Category	No. of meetings during 2012-13	
		Held	Attended
Mrs. Ranjana Kumar	Independent, Non-Executive	3	3
Mr. R K Krishna Kumar	Non-independent, Non-Executive	3	3
Mr. U M Rao	Independent, Non-Executive	3	3
Mr. A R Gandhi ( <i>Upto 15.3.2013</i> )	Non-independent, Non-Executive	3	3
Mr. J S Bilimoria	Independent, Non-Executive	3	3
Mr. V Leeladhar	Independent, Non-Executive	3	2

### iii. Meetings and attendance during the year

The Remuneration Committee met thrice during 2012-13 on 23rd May 2012, 22nd June 2012 and 5th October 2012, the particulars of attendance are mentioned in Note no. 4(ii) above.

### iv. Remuneration policy

The remuneration policy followed by the Company takes into consideration performance of the Company during the year and of the Managing and Whole-time Directors on certain parameters, such as condition of the industry, achievement of budgeted targets, growth & diversification, remuneration in other companies of comparable size and complexity, performance of the directors at meetings of the Board and of the Board Committees etc.

### v. Details of remuneration to all the Directors

	Mr. P T Siganporia*	Mr. Ajoy Misra	Mr. Harish Bhat**
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Salary	16.50	44.75	38.25
Allowances & Perquisites	–	22.67	54.84
Contribution to Retiral Funds	5.83	15.81	13.52
Commission ( <i>relating to 2011-12</i> )	–	–	NA
Stock option	–	–	–
No. of Shares held	2,640	–	–
Service Contract	NA	5 years from 01.12.2011	5 years from 01.07.2012
Notice period	NA	6 Months	6 Months

\* For the period 1st April 2012 to 30th June 2012

\*\* For the period 1st July 2012 to 31st March 2013

In addition both Mr. Siganporia and Mr. Ajoy Misra drew the following remuneration and commission from an overseas subsidiary of the Company, namely, Tata Global Beverages Group Limited:

	Mr. P T Siganporia* Rs. in Lakhs	Mr. Ajoy Misra** Rs. in Lakhs
Salary and Bonus	157.82	82.05
Allowances & Perquisites	15.17	17.50

\* For the period 1st April 2012 to 30th June 2012

\*\* For the period 1st April 2012 to 31st October 2012

- Notes:**
1. The remuneration drawn in GBP has been converted into INR at average exchange rate.
  2. The drawal of remuneration by Mr. Siganporia from the overseas subsidiary was approved by the Shareholders at the Annual General Meeting held on 30th August 2011.
  3. The drawal of remuneration by Mr. Ajoy Misra from the overseas subsidiary was approved by the Shareholders at the Annual General Meeting held on 31st August 2012.

#### Non-Executive Directors' Remuneration paid in 2012-13

	Commission Rs. in Lakhs (Relating to 2011-12)	Sitting Fees Rs. in Lakhs	No of shares held as on 31.3.2013
Mr. Cyrus Mistry (w.e.f. 22.06.2012)	NA	1.40	-
Mr. R N Tata (Ceased to be a director w.e.f. 28.12.2012)	47	0.80	NA
Mr. R K Krishna Kumar	44	3.50	90,000
Mr. U M Rao	27	5.10	-
Mr. F K Kavarana	10	2.10	-
Mr. A R Gandhi (Ceased to be a director w.e.f. 15.03.2013)	29	3.70	NA
Mrs. M Srinivasan	4	0.80	-
Mr. A Singh	4	0.40	-
Mr. J S Bilimoria (Deceased on 03.05.2013)	29	2.70	-
Mr. V Leeladhar	19	4.60	-
Mrs. Ranjana Kumar	19	4.10	-
Mr. Darius Pandole (w.e.f. 22.06.2012)	NA	1.20	-

- Notes:
1. The resolutions appointing these directors do not provide for payment of severance fees.
  2. The above excludes Rs. 25.21 lakhs being post-retirement pension benefit paid/payable to a former Managing Director.

## 5. Shareholders'/Investors' Grievance Committee

### i. Name of the Non-Executive Director heading the Committee

As on 31st March 2013, the Shareholders'/Investors' Grievance Committee comprised of 3 members, with Mr. F K Kavarana as the Chairman of the Committee and Mr. U M Rao and Mr. V. Leeladhar as members.

The Committee held five meetings during 2012-13 on 22nd June 2012, 24th July 2012, 31st October 2012, 14th December 2012 and 25th March 2013. The representatives of the Registrar are generally present at these meetings. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when need arises.

# Report on Corporate Governance

continued

To expedite the process of share transfers the Board has delegated the power of share transfer to the Registrars and share transfer agent and share transfer formalities are approved by them on a fortnightly basis. The composition of the Committee and details of attendance by its members is given below:

Name	Category	No. of meetings during 2012-13	
		Held	Attended
Mr. F K Kavarana	Non-independent, Non-Executive	5	3
Mr. U M Rao	Independent, Non-Executive	5	5
Mr. V Leeladhar	Independent, Non-Executive	5	4

## ii. Name and designation of Compliance Officer

Mr. V. Madan, Vice-President & Secretary, is the Compliance Officer.

## iii. Number of shareholders' complaints received so far, number not solved to the satisfaction of shareholders and number of pending complaints

Given below are the position of queries/complaints and other correspondences received and attended to during 2012-13 in respect of equity shares and fixed deposits:

	Equity Shares	Fixed Deposits
For non-receipt of dividend/interest, shares lodged for transfer, deposit receipt, repayment cheques	1,870	Nil
Other letters received from shareholders and depositors	1,374	Nil
Queries/Complaints redressed	3,175	Nil
Pending queries/complaints as on 31/03/2013*	69	Nil

\*Replied in April 2013

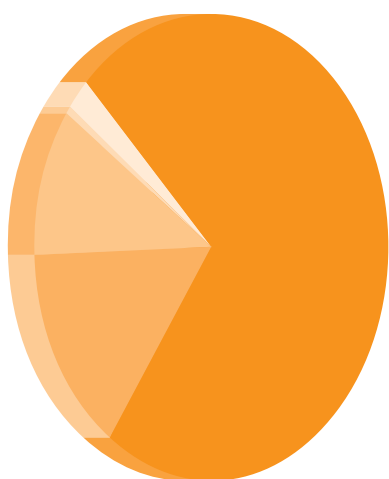
Every letter received from the investors is replied and the response time for shareholders' correspondences during 2012-13 is shown in the following table :

	Number	%
Total number of correspondences received during 2012-13	3,244	100.00
Replied within 1 to 4 days of receipt	2,357	72.66
Replied within 5 to 7 days of receipt	474	14.61
Replied within 8 to 15 days of receipt	336	10.36
Replied after 15 days of receipt*	8	0.24
Received in last week of March 2013 and replied in April 2013	69	2.13

\* These correspondences pertain to non-receipt of Dividend & issue of Share Certificates.

Promptness in attending to correspondences of shareholders is shown in the following chart:

### Response Time



Replied within 1 to 4 days of receipt	2,357
Replied within 5 to 7 days of receipt	474
Replied within 8 to 15 days of receipt	336
Replied within 15 days of receipt	8
Received in last week of March 2013 & replied in April 2013	69

The shares of the Company are traded in dematerialised form. A table showing the requests received for dematerialisation/transfer during 2012-13 is given below:

	Transfers No. of requests	Transfers No. of Shares	Demats No. of requests	Demats No. of Shares
Lodged	465	7,23,788	910	19,66,761
Processed	297	5,65,980	678	15,68,090
Objections	161	1,50,916	222	3,81,331
Pending as on 31.03.2013*	7	6,892	10	17,340

\* These transfers and demat requests were lodged in the last week of March 2013 and were processed in April 2013.

Note: 96.95% of the issued share capital of the Company is held in dematerialised form as on 31.03.2013.



# Report on Corporate Governance

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## 6. Other Board Committees

The Board had constituted following other Board Committees besides the three committees mentioned above:

Name of Committee	Members (as at 31st March 2013)	Terms of reference
Executive Committee	Mr. Cyrus Mistry-Chairman Mr. R K Krishna Kumar Mr. U M Rao Mr. Harish Bhat Mr. Ajoy Misra Mr. L Krishnakumar	Business and strategy review, long-term financial projections and cash flows, capital/revenue budgets and capital expenditure programmes, acquisition/ divestment and business restructuring proposals, senior management succession planning and any other item that the Board may decide to delegate.
Nomination Committee	Mr. Cyrus Mistry - Chairman Mr. R K Krishna Kumar Mr. F K Kavarana	To identify independent Directors to be inducted into the Board from time to time and take steps to refresh the composition of the Board from time to time.
Ethics and Compliance Committee	Mr. F K Kavarana - Chairman Mr. V Leeladhar Mr. Harish Bhat Mr. Ajoy Misra	To look into the requirements under Insider Trading Regulations including the Group guidelines on Insider Trading and Tata Code of Conduct.
Corporate Sustainability Reporting Committee	Mr. U M Rao - Chairman Mr. Harish Bhat Mr. Ajoy Misra Dr. S Parasuraman - Expert member (Not a Board member)	To monitor and provide guidance on Company's policies on environment management, social responsibilities, health & safety, product stewardship, community development, principles of managing branded operations, etc. The Committee will also provide guidance on welfare activities in and around Munnar.

During 2012-13 one meeting each of the Nomination Committee and Ethics & Compliance Committee and 2 meetings of the CSR Committee were held. No meeting of the Executive Committee was held during 2012-13.

## 7. General Body Meetings

### i. Location and time, where last three AGMs held, Whether any special resolutions passed in the previous 3 AGMs

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2009-2010	The Oberoi Grand 15, Jawaharlal Nehru Road, Kolkata - 700 013	23rd August 2010	10.30 a.m.	Nil
2010-2011	Same as above	30th August 2011	10.30 a.m.	1
2011-2012	Same as above	31st August 2012	10.30 a.m.	1

### ii. Whether any special resolution passed last year through postal ballot – details of voting pattern

During 2012-13 no special resolutions was approved by the Shareholders through Postal Ballot

### iii. Person who conducted the postal ballot exercise

Not applicable

**iv. Whether any special resolution is proposed to be conducted through postal ballot**

At present there is no such proposal.

**v. Procedure for postal ballot**

Does not arise.

## **8. Disclosures**

**i. Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large**

Details of transactions of a material nature with any of the related parties as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 have been reported in the Notes to Accounts. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

**ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years**

There was no such instance in the last three years.

**iii. Whistle-Blower Policy and affirmation that no personnel has been denied access to the Audit Committee**

The Board has approved a whistle-blower policy which has been communicated to the employees. The policy provides a mechanism for employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct and provides safeguards against victimisation of employees who avail the mechanism. The policy permits reporting any concern relating to (i) financial/accounting matters and (ii) employees at the levels of Vice-Presidents and above as also the Ethics counsellors directly to the Chairman of the Audit Committee. For all other matters the concern can be reported to the Ethics counsellor of the Company. The policy with the name and address of Chairman of the Audit Committee has been circulated to the employees. No employee has been denied access to the Chairman of the Audit Committee.

**iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this Clause**

The Company is compliant with mandatory requirements of Clause 49 of the Listing agreement for 2012-13.

As far as the seven non-mandatory requirements are concerned, the Board has set up a Remuneration Committee and has also adopted a whistle-blower policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The policy provides direct access to the Chairman of the Audit Committee under certain circumstances. The policy has been communicated to the employees. Remaining non-mandatory requirements of Clause 49 are expected to be addressed in due course.

## **9. Means of Communication**

**i. Quarterly results**

The quarterly results are published in the newspapers and displayed on the Company's website. The half -yearly results for the six months ended 30th September 2012 were sent by post to the shareholders in November 2012.

**ii. Newspapers wherein results normally published**

The quarterly results are generally published in The Statesman, Business Standard and Pratidin (Bengali).

**iii. Any website, where displayed**

The quarterly results of the Company are put on the website of the Company after these are submitted to the Stock Exchanges. Our website address is [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com)

# Report on Corporate Governance

continued

**iv. Whether it also displays official news releases**

Yes

**v. The presentations made to institutional investors or to analysts**

The Company made a presentation to financial analysts on 23rd May 2012 after the results of the financial year 2011-12 were approved by the Board. Similar presentations were made to the analysts on 23rd July 2012, 31st January 2013 and 31st October 2012 after the financial results for the quarters ended 30th June 2012, 31st December 2012 and six months ended 30th September 2012 respectively were approved by the Board. These presentations have been put up on the Company's website.

## 10. General Shareholders information

**i. AGM – Date, time and venue, financial calendar, date of book closure, dividend payment date**

Annual General Meeting:	Monday, 15th July 2013 at 10.30 a.m. at The Oberoi Grand 15 Jawaharlal Nehru Road Kolkata – 700 013	
Financial Calendar: (tentative)	Board Meetings for approval of:	
	Annual Accounts 2012-13	- 28th May 2013
	Financial results for 1st Quarter 2013-14	- First/Second week of August 2013
	Financial results for 2nd Quarter 2013-14	- Last week of October 2013
	Financial results for 3rd Quarter 2013-14	- Last week of January, 2014
	Annual Accounts 2013-14	- Last week of May, 2014
Book Closure Period:	2nd July 2013 to 15th July 2013 (both days inclusive)	
Dividend payment date:	18th July 2013	

**ii. Listing on Stock Exchanges & Stock code**

Listing on Stock Exchanges:		
a. Equity Shares	i)	The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata – 700 001
	ii)	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
	iii)	National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051

	iv) Gauhati Stock Exchange Ltd. 2nd floor, Shine Towers, Sati Jayamati Road, Arya Chowk, Rehabari, Guwahati – 781 008	
b. Global Depository Shares	Luxembourg Stock Exchange London Stock Exchange	
Stock Code	Calcutta Stock Exchange	- 27 (For Physical); - 10000027 (For Demat)
	BSE	- 500800
	National Stock Exchange	- 'TATAGLOBAL'
	Guwahati Stock Exchange	- L-784
Demat ISIN Number	National Securities Depository Ltd.	- INE 192A01025
	Central Depository Services Ltd.	- INE 192A01025
Listing Fees	Annual listing fees for 2012-13 has been paid to all the Stock Exchanges where the securities of the Company are listed.	

### iii. Market price data – high, low during each month in the last financial year

Month	NSE		BSE	
	High Rs.	Low Rs.	High Rs.	Low Rs.
April 2012	126.00	111.25	125.80	111.90
May 2012	120.70	100.45	120.65	100.00
June 2012	118.80	102.40	118.75	102.50
July 2012	128.00	110.00	127.95	113.35
August 2012	137.80	125.95	137.75	124.50
September 2012	144.20	127.10	144.30	127.15
October 2012	165.00	142.90	164.90	143.00
November 2012	181.50	151.35	181.70	151.40
December 2012	174.25	159.00	174.35	159.00
January 2013	168.90	142.60	168.90	142.70
February 2013	152.00	122.70	154.50	123.00
March 2013	136.60	121.55	136.50	122.00

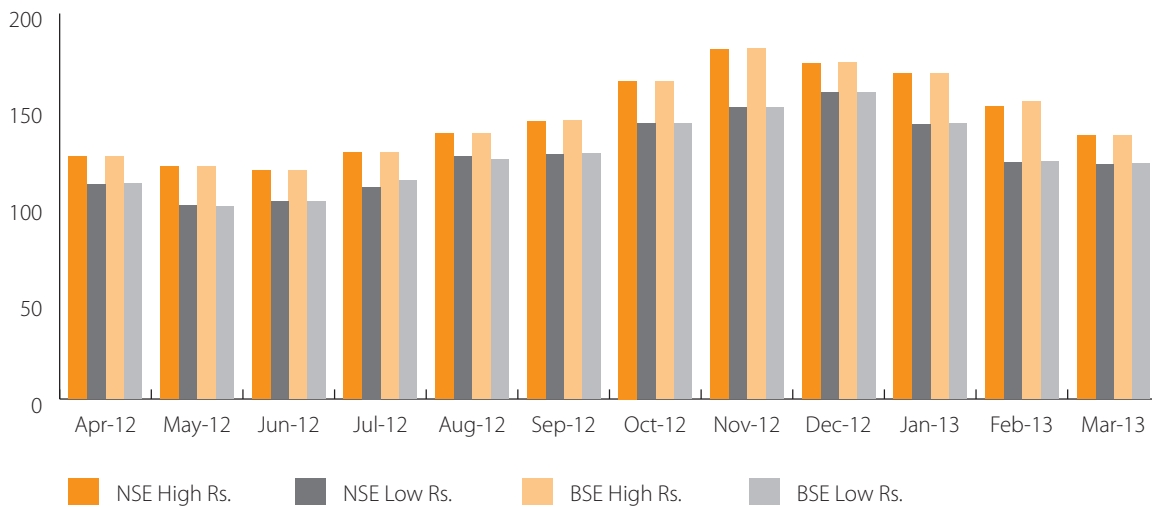
NSE: National Stock Exchange of India Ltd.; BSE: BSE Ltd.

There was no trading of the Company's shares on the Calcutta Stock Exchange during the year 2012-13.

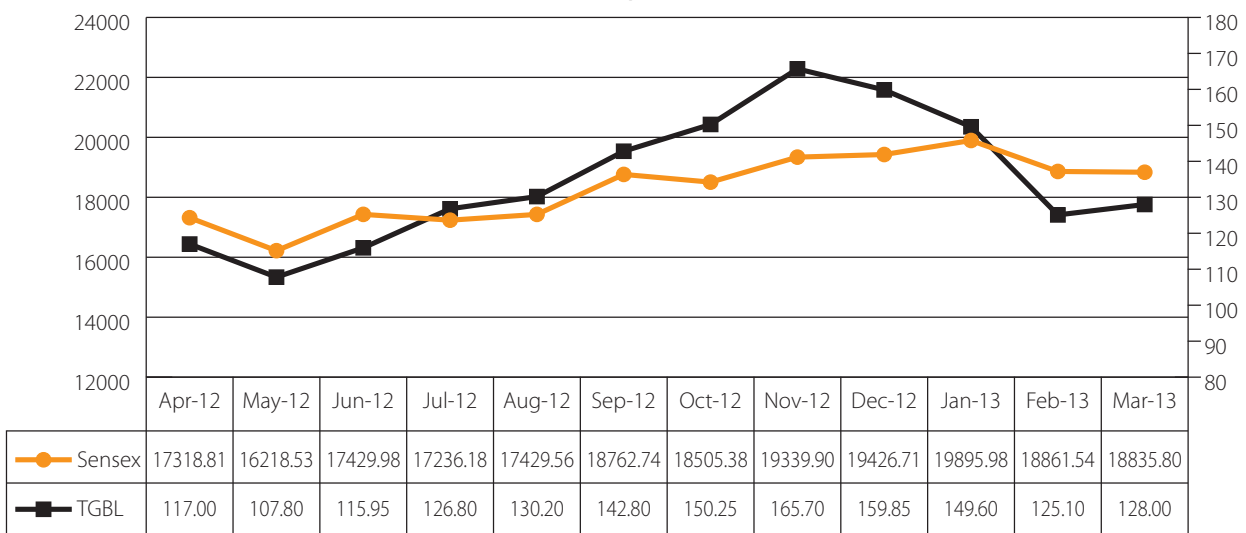
# Report on Corporate Governance

continued

The market share price data is graphically represented below:



**TGBL V/s Sensex**





**iv. Performance in comparison to broad-based indices**

	NSE	BSE
<b>Company's share price</b>		
- As at 1st April 2012	112.50	111.90
- As at 31st March 2013	127.85	128.00
- Change	13.64%	14.39%
	<b>S &amp; P CNX NIFTY</b>	<b>Sensex</b>
<b>Indices</b>		
- As at 1st April 2012	5296.35	17429.96
- As at 31st March 2013	5682.55	18835.77
- Change	7.29%	8.06%

**v. Registrar & Transfer Agent :**

Registered office:  
 TSR Darashaw Pvt. Ltd.  
 6-10 Haji Moosa Patrawala Ind. Estate  
 20 Dr. E Moses Road, Mahalaxmi,  
 Mumbai – 400 011  
 Telephone : 022-66568484  
 Fax : 022-66568494  
 Website : www.tsrdarashaw.com  
 E-mail : csg-unit@tsrdarashaw.com

Branch Offices at :

- |   |  |
|---|--|
| 1. TSR Darashaw Pvt. Ltd.<br>503, Barton Centre, 5th Floor,<br>84, Mahatma Gandhi Road,<br>Bangalore – 560 001<br>Tel : 080-25320321<br>Fax: 080-25580019<br>E-mail: tsrdlbbang@tsrdarashaw.com | 3. TSR Darashaw Pvt. Ltd.<br>Tata Centre, 1st Floor,<br>43, J L Nehru Road,<br>Kolkata – 700 071<br>Tel: 033-22883087<br>Fax: 033-22883062<br>E-mail: tsrdlcal@tsrdarashaw.com |
| 2. TSR Darashaw Pvt. Ltd.<br>Bungalow No. 1,<br>'E' Road, Northern Town, Bistupur,<br>Jamshedpur – 831 001<br>Tel: 0657-2426616<br>Fax: 0657-2426937<br>E-mail: tsrdljsr@tsrdarashaw.com        | 4. TSR Darashaw Pvt. Ltd.<br>2/42 Sant Vihar,<br>Ansari Road, Daryaganj,<br>New Delhi – 110 002<br>Tel: 011-23271805<br>Fax: 011-23271802<br>E-mail: tsrdldel@tsrdarashaw.com  |

# Report on Corporate Governance

continued

Agent of the Registrar  
Shah Consultancy Services Limited  
3, Sumathinath Complex,  
Pritam Nagar, Akhada Road, Ellisbridge,  
Ahmedabad – 380 006  
Telefax : 079-26576038  
E-mail: shahconsultancy8154@gmail.com

The Registrars can be contacted between 10 a.m. and 3.30 p.m. on any working day (Monday to Friday, excluding bank holidays)

Shareholders' Relation Cell :

Mr. V Madan, Vice-President & Secretary  
Mr. S M Pramod, Sr. Manager - Secretarial  
Tata Global Beverages Ltd  
"Kirloskar Business Park", 4th Floor, Block "C",  
New Air Port Road, Hebbal,  
Bangalore-560024  
Tel: 080-67171200  
Fax: 080-67171201  
Website: www.tataglobalbeverages.com  
E-mail : investor.relations@tataglobalbeverages.com

Mr. Gautam Mukherjee  
Tata Global Beverages Ltd.  
1, Bishop Lefroy Road,  
Kolkata – 700 020  
Tel: 033-22836917  
Fax: 033-22833032

## vi. Share Transfer System

Shares in physical form for transfer, should be lodged with the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Pvt. Ltd., Mumbai or at their branch offices at the addresses given above or at the registered office of the Company. The transfers are processed if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialised form.

## vii. Distribution of Shareholding

### Distribution of Shareholding as at 31st March 2013

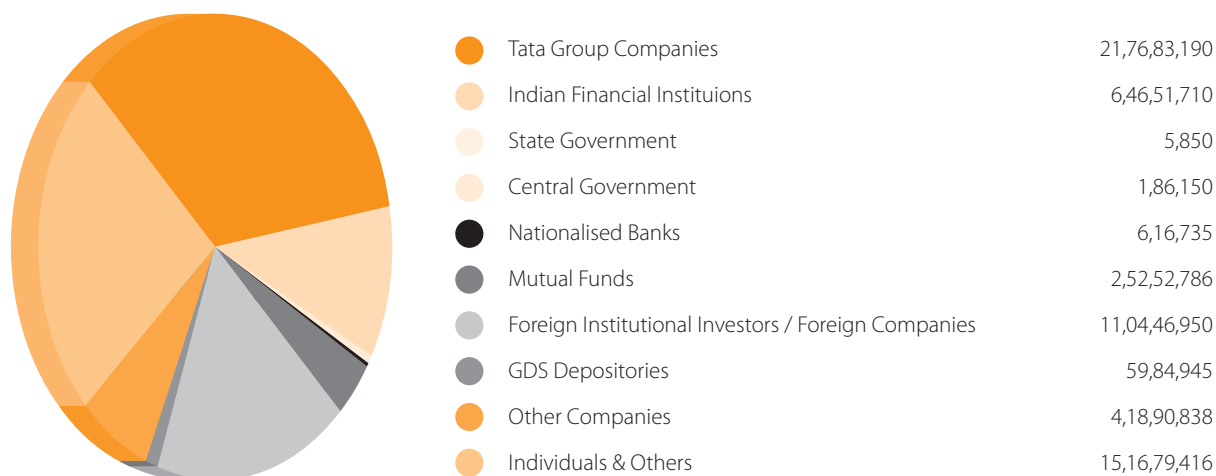
No. of Shares	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to Total Holders
1 to 500	1,98,95,040	1,98,95,040	3.22	1,34,546	76.40
501 to 1000	1,33,58,098	1,33,58,098	2.16	16,203	9.20
1001 to 2000	1,55,14,538	1,55,14,538	2.51	10,197	5.79
2001 to 3000	1,15,66,064	1,15,66,064	1.87	4,564	2.59
3001 to 4000	84,65,781	84,65,781	1.37	2,394	1.36
4001 to 5000	90,47,662	90,47,662	1.46	1,945	1.11
5001 to 10000	2,43,08,852	2,43,08,852	3.93	3,385	1.92
Greater than 10000	51,62,42,535	51,62,42,535	83.48	2,862	1.63
<b>Total</b>	<b>61,83,98,570</b>	<b>61,83,98,570</b>	<b>100.00</b>	<b>1,76,096</b>	<b>100.00</b>

### Categories of Shareholders as at 31st March 2013

Sr. No.	Particulars	No. of Holders	Holdings/ Shares held	% to Capital
1	Tata Group Companies	9	21,76,83,190	35.20
2	Indian Financial Institutions	28	6,46,51,710	10.46
3	State Government	1	5,850	0.00
4	Central Government	3	1,86,150	0.03
5	Nationalised Banks	23	6,16,735	0.10
6	Mutual Funds	79	2,52,52,786	4.08
7	Foreign Institutional Investors / Foreign Companies	169	11,04,46,950	17.86
8	GDS Depositories	1	59,84,945	0.97
9	Other Companies	2,662	4,18,90,838	6.77
10	Individuals & Others	1,73,121	15,16,79,416	24.53
	<b>Total</b>	<b>1,76,096</b>	<b>61,83,98,570</b>	<b>100.00</b>

The category-wise shareholding is also shown in the chart below:

#### Category of shareholders



#### viii. Dematerialisation of Shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerialising the shares the shareholders should open a demat account with the Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialised and an electronic credit of the shares is given in the account of the shareholder.

# Report on Corporate Governance

continued

## ix. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

As on 31st March 2013, the outstanding Global Depository Shares were 1,44,125. The GDSs are convertible into fully paid equity shares on 1:1 basis. The underlying shares against the outstanding GDSs have been allotted in the name of the Depository. There is no ADR or convertible instrument outstanding as on 31st March 2013.

## x. Plant locations

a)	Survey No. 14/4, A2 & 14/5, NH 4, Bangalore Tumkur Road, Malonagathi Hally, T. Begur Post, Nelamangla Taluk, Bangalore Rural District, Karnataka - 562 123
b)	Periakanal Estate, PO Munnar, Dist. Idukki, Kerala - 685 612
c)	Pullivasal Estate & Packeting centre - PO Munnar, Dist. Idukki, Kerala - 685 612
d)	Instant Tea Operations, Post Box no. 3, Idukki district, Munnar, Kerala - 685 612 (including Nullatani factory)
e)	Tetley (Tea Bag) Division: 73/74 KPK Menon Road; Willingdon Island, Kochi, Kerala – 682 003 and an extension unit at 40, Milne Road, Willingdon Island, Kochi, Kerala - 682 003.

## xi. Address for correspondence

Given against 10.v above

## 11. The Investors Education and Protection Fund

The shareholders and other stakeholders are hereby informed that pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 all dividends remaining unpaid/unclaimed for a period of seven years from the date they became due for payment will have to be transferred to the Investors Education and Protection Fund (IEPF) set up by the Central Government. The following table gives information relating to outstanding dividend accounts and the dates when due for transfer to IEPF:

Financial year ended	Date of payment of dividend	Unpaid dividend to be claimed by	Transfer to IEP Fund in
31st March 2006	11.08.2006	August 2013	September 2013
31st March 2007	13.08.2007	August 2014	September 2014
31st March 2008	25.08.2008	August 2015	September 2015
31st March 2009	04.09.2009	September 2016	October 2016
31st March 2010	27.08.2010	August 2017	September 2017
31st March 2011	02.09.2011	September 2018	October 2018
31st March 2012	03.09.2012	September 2019	October 2019

Following are the details of unpaid dividends, interest on deposits and repayment of deposits which will be due for transfer to IEPF upto 31st March 2014:

Nature of payment	Date of payment	Unpaid dividend to be claimed by	Transfer to IEP Fund in
Dividend	11.08.2006	August 2013	September 2013
Interest on Fixed deposits	01.04.2006 to 31.03.2007	One month before the due date of transfer to IEPF Fund	7 years from respective payment dates
Fixed deposits – Principal amount and Interest on maturity	Respective maturity dates	One month before the due date of transfer to IEPF Fund	7 years from respective maturity dates

While the Registrar of the Company has already written to the shareholders and depositors informing them about the due dates of transfer to IEPF for these payments, attention of the stakeholders is again drawn to this matter through the Annual Report. It may please be noted that once the unpaid amounts are transferred to IEPF no claims shall lie against the Company or the IEPF in respect of any amounts which were unclaimed or unpaid.

## 12. Certificate on Corporate Governance

As required under Clause 49 of the Listing Agreement, a certificate from Dr. Asim Kumar Chattopadhyay, Practising Company Secretary on compliance with the corporate governance norms is attached.

## 13. Insider Trading Regulations

After the Securities and Exchange Board of India had amended the Insider Trading Regulations in November 2009, the Tata Group has suitably revised the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure practices which your Company has adopted. This code of conduct is applicable to all Directors and such identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company. Mr. K Venkataramanan, Vice-President – Finance of the Company, is the compliance officer for the purpose of these regulations.

## 14. Top Ten Shareholders

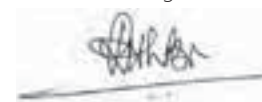
As at 31st March 2013 the top ten shareholders of the Company were as follows:

Sr. No.	Name of Shareholder	Total holdings	%
1	Tata Sons Limited	14,28,54,570	23.10
2	Tata Chemicals Limited	4,31,75,140	6.98
4	Life Insurance Corporation of India	4,23,48,874	6.85
3	Tata Investment Corporation Ltd.	2,75,00,000	4.45
5	Bajaj Allianz Life Insurance Company Ltd.	1,76,01,155	2.85
6	Skagen Kon-Tiki Verdipapirfond	1,71,83,504	2.78
7	Government Pension Fund Global	89,76,940	1.45
8	Platinum Investment Management Limited A/c Platinum International Brands Fund	83,56,060	1.35
9	National Insurance Company Ltd.	64,45,780	1.04
10	Deutsche Bank Trust Company Americas	59,84,945	0.97

## 15. Declaration by the CEO on Code of Conduct as required by Clause 49.I.(D)(ii)

This is to declare that the Company has received affirmations of compliance with the applicable Code of Conduct from the Directors and Senior Management personnel of the Company in respect of the financial year 2012-13.

For Tata Global Beverages Limited



**(Harish Bhat)**  
Managing Director

28th May 2013



## **Practising Company Secretary's Certificate on Corporate Governance under Clause 49 of the Listing Agreement(s)**

### **To the Members of Tata Global Beverages Limited**

I have examined the compliance of the conditions of Corporate Governance by Tata Global Beverages Limited ('the Company') for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Dr. Asim Kumar Chattopadhyay**

FCS No. 2303

CP No. 880

28th May 2013

# Independent Auditors' Report

## To the Members of Tata Global Beverages Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Tata Global Beverages Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
  - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Independent Auditors' Report

continued

### Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

**Dibyendu Majumder**  
Partner  
Membership Number: 057687

Mumbai, May 28 2013

## Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of **Tata Global Beverages Limited** on the financial statements as of and for the year ended 31st March 2013

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- vi. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the 'Companies (Acceptance of Deposits) Rules, 1975' with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.

## Financial Statements and Notes

# Annexure to Independent Auditors' Report

continued

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, service tax, customs duty, and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax and sales tax as at 31st March 2013 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	217.79	2004-05, 2007-08 and 2008-09	Commissioner of Income Tax (Appeals), Kochi
	Income tax	250.81	2007-08 and 2008-09	Commissioner of Income Tax (Appeals), Kolkata
Kerala General Sales Tax Act, 1963	Sales Tax	12.00	1998-99	Sales Tax Appellate Tribunal, Ernakulam
	Sales Tax	43.74	1996-97 to 2000-01 and 2002-03	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam
	Sales Tax	2.76	1994-95 to 1996-97	The Assistant Commissioner (Assessment), Special Circle, Produce, Sales Tax Office, Mattancherry
West Bengal Sales Tax Act, 1994	Sales Tax	1.76	1998-99 and 2000-01	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2003	Value Added Tax	119.97	2007-08	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
	Value Added Tax	59.68	2008-09	Additional Commissioner of Commercial Taxes, West Bengal
Central Sales Tax Act, 1956	Sales Tax	12.14	1998-99	Sales Tax Appellate Tribunal, Ernakulam
	Sales Tax	14.99	1999-00, 2000-01 and 2002-03	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam
	Sales Tax	266.45	2006-07	Joint Commissioner of Sales Tax, Maharashtra
	Sales Tax	5.07	2008-09	Additional Commissioner of Commercial Taxes, West Bengal
Karnataka Sales Tax Act, 1957	Sales Tax	128.00	1997-98	The Supreme Court of India
Tamilnadu General Sales Tax Act, 1959	Sales Tax	56.86	2001-02 to 2006-07	Deputy Commissioner of Commercial Taxes, Tamil Nadu
Maharashtra Value Added Tax, 2002	Sale Tax	15.76	2006-07	Joint Commissioner of Sales Tax, Maharashtra
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	326.58	2003-04 to 2009-10	The Madhya Pradesh High Court
Assam Entry Tax Act, 2008	Entry Tax	93.45	2008-09	The Guwahati High Court
Goa Value Added Tax Act, 2005	Value Added Tax	1.01	2006-07	Assistant Commissioner
Tamilnadu Panchayat Act, 1994	Cess on Land Revenue	4.97	2000-01 to 2002-03	The High Court of Madras
Employees' State Insurance Act, 1948	ESI	1.20	2009-10	Employees Insurance Court-cum-Industrial Tribunal, Hyderabad



- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has created security/charge in respect of debentures issued and outstanding at the year-end.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

**Dibyendu Majumder**  
Partner  
Membership Number: 057687

Mumbai, May 28 2013

## Financial Statements and Notes

# Balance Sheet

as at 31 March 2013

	Note	2013		2012	
Rs. in Lakhs					
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share Capital	3	6183.99		6183.99	
Reserves and Surplus	4	225645.23	231829.22	214826.74	221010.73
<b>Non-Current Liabilities</b>					
Long-Term Borrowings	5	-		32502.83	
Other Long-Term Liabilities	6	-		6345.53	
Long-Term Provisions	7	7996.75	7996.75	6470.93	45319.29
<b>Current Liabilities</b>					
Short-Term Borrowings	8	18356.89		4182.20	
Trade Payables	9	14849.86		14010.41	
Other Current Liabilities	10	51464.44		12072.68	
Short-Term Provisions	11	19523.89	104195.08	19962.13	50227.42
<b>Total</b>			<b>344021.05</b>		<b>316557.44</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed assets	12				
Tangible Assets		12543.36		11654.88	
Intangible Assets		2124.69		2353.86	
Capital work-in-progress		376.75	15044.80	268.78	14277.52
Non-Current Investments	13	222514.28		216361.10	
Deferred Tax Assets (net)	14	2320.02		1771.01	
Long-Term Loans and Advances	15	4207.86		3739.65	
Other Non-Current Assets	16	-	229042.16	3060.00	224931.76
<b>Current Assets</b>					
Current Investments	17	-		4209.03	
Inventories	18	65155.94		45346.85	
Trade Receivables	19	10911.38		9063.76	
Cash and Bank Balances	20	5052.11		1747.30	
Short-term Loans and Advances	21	18170.38		16366.40	
Other Current Assets	22	644.28	99934.09	614.82	77348.16
<b>Total</b>			<b>344021.05</b>		<b>316557.44</b>

**Summary of Significant Accounting Policies**

2

The Notes are an integral part of the Financial Statements.

This is the Balance Sheet referred to in our Report of even date.

 For **Lovelock & Lewes**  
 Firm Registration No. 301056E  
 Chartered Accountants

**Cyrus P Mistry**  
 Chairman

**U M Rao**  
**V Leeladhar**  
**Ranjana Kumar**  
 Directors

**Ajoy Misra**  
**L Krishnakumar**  
 Executive Directors

**Dibyendu Majumder**  
 Partner  
 Membership No. 057687

**R K Krishna Kumar**  
 Vice-Chairman

**Harish Bhat**  
 Managing Director

**V Madan**  
 Vice-President and  
 Secretary

Mumbai, May 28 2013

# Statement of Profit and Loss

for the year ended 31 March 2013

Rs. in Lakhs

	Note	2013	2012
<b>INCOME</b>			
Revenue from Operations (Net of Excise duty <b>Rs. 17.63 Lakhs</b> (Rs. 18.97 lakhs))	23	<b>232609.50</b>	203528.97
Other Income	24	<b>11297.60</b>	9409.46
<b>Total Revenue</b>		<b>243907.10</b>	212938.43
<b>EXPENSES</b>			
Cost of Materials Consumed	25	<b>154927.11</b>	129340.86
Purchases of Stock-in-Trade		<b>112.71</b>	164.69
Change in Inventories of Finished Goods and Stock-in-trade	26	<b>(3853.86)</b>	(977.82)
Employee Benefits Expense	27	<b>12005.66</b>	10069.27
Finance Costs	28	<b>3201.14</b>	2704.04
Depreciation and Amortisation Expense		<b>1639.38</b>	1204.24
Other Expenses	29	<b>45566.83</b>	41754.91
<b>Total Expenses</b>		<b>213598.97</b>	184260.19
<b>Profit before Exceptional Items and Taxes</b>		<b>30308.13</b>	28678.24
<b>Exceptional Items (Net)</b>	30	<b>1787.22</b>	8312.86
<b>Profit before Tax</b>		<b>32095.35</b>	36991.10
<b>Tax Expenses</b>			
Current Tax (Net of reversal of earlier years <b>Rs. 921 Lakhs</b> (Rs. Nil))		<b>6779.00</b>	7614.00
Deferred Tax		<b>(549.00)</b>	(891.26)
		<b>6230.00</b>	6722.74
<b>Profit for the year</b>		<b>25865.35</b>	30268.36
Earning per Equity Share (Nominal Value per share <b>Re 1 each</b> )			
Basic and Diluted		<b>4.18</b>	4.89
Number of shares in computing Earning per share			
Basic and Diluted		<b>618398570</b>	618398570
<b>Summary of Significant Accounting Policies</b>	2		
The Notes are an integral part of the Financial Statements.			

This is the Statement of Profit and Loss referred to in our Report of even date.

For **Lovelock & Lewes**  
Firm Registration No. 301056E  
Chartered Accountants

**Cyrus P Mistry**  
Chairman

**U M Rao**  
**V Leeladhar**  
**Ranjana Kumar**  
Directors

**Ajoy Misra**  
**L Krishnakumar**  
Executive Directors

**Dibyendu Majumder**  
Partner  
Membership No. 057687

**R K Krishna Kumar**  
Vice-Chairman

**Harish Bhat**  
Managing Director

**V Madan**  
Vice-President and  
Secretary

Mumbai, May 28 2013

## Financial Statements and Notes

# Cash Flow Statement

for the year ended 31st March 2013

	2013	2012	Rs. in Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before Tax	32095.35		36991.10
Adjusted for :			
Depreciation and Amortisation	1639.38		1204.24
Dividend Income	(9050.08)		(6784.93)
Unrealised Exchange Loss/(Gain)	(2.05)		111.16
Finance Cost	3201.14		2704.04
Interest Income	(2211.88)		(2600.82)
Profit on sale of Current Investments (net)	(0.97)		-
Provision for Doubtful Debts and Advances	0.89		210.13
Liabilities no longer required written back	(1212.25)		(884.65)
Debts and Advances written off	-		2.18
Provision for Doubtful Debts/Advances written back	(12.79)		-
Loss on sale/discard of Fixed Assets (net)	95.18		23.15
Exceptional Expenses	3538.84		5408.59
Profit on Sale of Long-Term Trade Investments	(5326.06)		(13721.45)
	<b>(9340.65)</b>		<b>(14328.36)</b>
Operating Profit before working capital changes	<b>22754.70</b>		<b>22662.74</b>
Adjustments for :			
Trade Receivables	(1848.51)		1125.90
Other Receivables	(799.44)		456.01
Inventories	(19809.13)		(2355.69)
Trade Payables	3474.43		2125.54
	<b>(18982.65)</b>		<b>1351.76</b>
Cash generated from Operations before Exceptional Items	<b>3772.05</b>		<b>24014.50</b>
Cash Flow from Exceptional Expenses	(2070.41)		(3,138.25)
Direct Taxes paid (net)	(7922.16)		(7216.11)
	<b>(9992.57)</b>		<b>(10354.36)</b>
<b>Net Cash from/(used in) Operating Activities</b>	<b>(6220.52)</b>		<b>13660.14</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	(2519.05)		(3226.85)
Sale of Fixed Assets	17.21		51.16
Purchase of Long-Term Investments	(11.94)		(80.00)
Sale/Redemption of Long-Term Investments	6827.27		23404.99
Investment in Associates	(983.19)		-
Investment in Joint Ventures	(1747.50)		(5,000.00)
Investments in a Subsidiary	(3351.76)		(2,806.91)
Redemption of Investments in Subsidiaries	2209.03		2,209.02
Placement/Redemption Current Investments (net)	500.00		4514.92
Dividend Income	9051.05		6784.93
Interest Income received	2227.42		2773.57
Fixed deposit placed with banks having maturity over 1 year	-		(3,000.00)
Inter Corporate Deposits & Loans Placed	(4000.00)		(10000.00)
Inter Corporate Deposits & Loans Redeemed	2500.00		2500.00
<b>Net Cash from/(used in) Investing Activities</b>	<b>10718.54</b>		<b>18124.83</b>

Rs. in Lakhs

	2013	2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Working Capital Facilities (net)	14174.69	(13861.80)
Dividend paid	(13246.08)	(12367.97)
Dividend Tax paid	(1965.29)	(1832.23)
Finance Cost	(3156.55)	(2713.31)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(4193.23)</b>	<b>(30775.31)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>304.79</b>	<b>1009.66</b>
<b>D. CASH AND BANK BALANCES</b>		
Opening Balance	1747.30	736.30
Exchange Gain/(Loss) on translation of foreign currency cash/ cash equivalents	0.02	1.34
<b>Balances at the end of the year</b>	<b>2052.11</b>	<b>1747.30</b>
<b>Cash and Bank balances comprises of:</b>		
Cash and Cash Equivalents	1536.11	1280.79
Earmarked Balances with Banks	516.00	466.51
<b>Balances at the end of the year</b>	<b>2052.11</b>	<b>1747.30</b>

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS-3)' issued by Companies (Accounting Standards) Rules, 2006.
2. Previous year's figures have been rearranged/regrouped wherever necessary.

This is the Cash Flow Statement referred to in our Report of even date

For **Lovelock & Lewes**  
Firm Registration No. 301056E  
Chartered Accountants

**Cyrus P Mistry**  
Chairman

**U M Rao**  
**V Leeladhar**  
**Ranjana Kumar**  
Directors

**Ajoy Misra**  
**L Krishnakumar**  
Executive Directors

**Dibyendu Majumder**  
Partner  
Membership No. 057687

**R K Krishna Kumar**  
Vice-Chairman

**Harish Bhat**  
Managing Director

**V Madan**  
Vice-President and  
Secretary

Mumbai, May 28 2013



# Notes forming part of the Financial Statements

## 1. General Information:

Tata Global Beverages Limited (“the holding company”) and its subsidiaries, joint ventures and associates (together, “the Group”) is a global beverages company engaged in the trading, production and distribution of Tea, Coffee and Water. The group has branded beverage business operations mainly in India, Europe, US, Canada and Australia, plantation business in India/Sri Lanka and extraction business mainly in India, US and China.

## 2. Significant Accounting Policies:

### (a) Accounting Convention

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards, notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the historical cost convention.

The presentation of the accounts is based on the revised Schedule VI of the Companies Act, 1956. All assets and liabilities are classified into current and non-current generally based on criteria of realisation/settlement within twelve months period from the balance sheet date.

### (b) Fixed Assets and Depreciation

#### i) Tangible:

Tangible Assets are carried at cost of acquisition less accumulated depreciation, Impairment loss, if any, ascertained as per the Accounting Standard 28 (Impairment of Assets). The cost of extension planting of cultivable land including cost of development is capitalised.

Assets acquired on hire purchase, for which ownership will vest at a future date, are capitalised at cash cost.

Depreciation on tangible assets including assets created on lands under lease is provided on monthly basis in accordance with Schedule XIV to the Companies Act, 1956 (except as below). Renewal of land leases is assumed, consistent with past practice.

Management estimates the useful lives for other Tangible Assets as follows:

Desktop and Computers	4 years
Printers	4 years
Servers	4 years

Subsidies receivable from government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue.

#### ii) Intangible:

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any.

Expenditure on software and related implementation costs are capitalised where it is expected to provide enduring economic benefits and are amortised on a monthly basis over a period of five years.

Non-compete fees paid on acquisition of business is being amortised on monthly basis over a period of 10 years.

Product development cost incurred on new products having enduring benefits is recognised as Intangible Assets and are amortised on a monthly basis over a period of 10 years.

### (c) Impairment

At each balance sheet date, the management reviews the carrying amounts of each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use.

In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Cash flows used to determine value in use are derived from the annual budgets and strategic plans of the cash generating units. For certain cash generating units, variable growth has been considered even beyond five years, given the maturity of the business and scope for geographical expansion.

Reversal of impairment loss is recognised as income in the statement of profit and loss.

**(d) Borrowing Costs**

Borrowing cost includes interest, ancillary costs incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised. The other costs are charged to the statement of profit and loss. Discount on Commercial Paper is amortised on straight line basis over its tenure.

**(e) Investments**

Investments of a long-term nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost and market value.

**(f) Inventories**

Inventories are stated at cost or net realisable value, whichever is lower. Cost is determined on weighted average method for all categories of inventories other than for auction bought teas in which case cost is considered as actual cost for each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

**(g) Foreign Currency Transactions**

Transactions in foreign currencies are recorded at average fortnightly spot rates. The exchange difference resulting from settled transactions is recognised in the statement of profit and loss. Year end balances of monetary items are restated at the year end exchange rates and the resultant net gain or loss is recognised in the statement of profit and loss.

Premium or discount on forward contracts where there are underlying assets/liabilities are amortised over the life of the contract. Such foreign exchange forward contracts are revalued at the balance sheet date and the exchange difference between the spot rate at the date of the contract and spot rate on the balance sheet date is recognised as gain/loss in the statement of profit and loss.

**(h) Revenue Recognition**

- (i) Sales are recognised on when the substantial risks and rewards of ownership in the goods are transferred to the buyer i.e. delivery as per terms of sale or on completion of auction in case of auction sale.
- (ii) Fees and income from services are accounted as per terms of relevant contractual agreements/arrangements.
- (iii) Export incentives are accounted on accrual basis.

**(i) Other Income**

Interest income and income from investments are accounted on accrual basis.

Dividend income is recognised when the right to receive dividend is established.

**(j) Replanting/Rejuvenation**

Cost of replanting/rejuvenating tea bushes/fuel trees is charged to revenue. Related Tea Board subsidies are accrued as Other Income on obtaining approval from Tea Board.

**(k) Compensation of Land**

Compensation, if any, in respect of land surrendered/vested in Governments under various State Land Legislations is accounted for as and when received.

# Notes forming part of the Financial Statements

continued

**(l) Employee Benefits****i) Post retirement employee benefits:**

Post retirement benefits like Provident Fund which are in the nature of defined benefit plans and also Defined Contribution Superannuation schemes, in the nature of defined contribution plans, are maintained by the Company and for certain categories contributions are made to State Plans. In respect of PF contribution made to a Self Administered Trust, the Company is liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contribution and shortfall, if any, as an expense in the year incurred.

Post retirement defined benefits including gratuity, superannuation and medical benefits for qualifying executives/wholtime directors as provided by the Company are determined through independent actuarial valuation at year end and charge recognised in the books. For schemes, where recognised funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognised in the statement of profit and loss.

The Company recognizes in the statement of profit and loss, gains or losses on settlement of a defined benefit plan as and when the settlement occurs.

**ii) Other Employee Benefits:**

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the statement of profit and loss. Short-term Employee Benefits are recognised on an undiscounted basis whereas Long-term Employee Benefits are recognised on a discounted basis.

**iii) Other Employee Termination Benefits:**

Payments to employees who have opted for the Employee Separation Scheme (ESS) along with additional liabilities towards retirement benefits arising pursuant to the ESS are charged to statement of profit and loss in the year in which it is incurred.

**(m) Research and Development**

Research and Development expenditure of revenue nature is charged to revenue and capital expenditure is included under fixed assets.

**(n) Taxes on Income**

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**(o) Financial Instruments**

The Company uses foreign currency forward contracts and options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions. The Company designates these hedging instruments as cash flow hedges.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Gain or loss on account of change in the fair value of hedging instruments in respect of effective portion of cash flow hedges are recognised in the hedging reserve account. On occurrence of the underlying transactions the accumulated balance is transferred from hedging reserve and recognised in the statement of profit and loss. The portion of the gain or loss on the hedging instruments if determined to be an ineffective cash flow hedge is recognised in the statement of profit and loss. Fair value hedges are marked-to-market on balance sheet date and gain or loss recognised in the statement of profit and loss.

**(p) Leases**

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially assumed all risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease period at lower of fair value or present

value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straightline basis.

**(q) Cash and Cash Equivalent**

Cash and Cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short-term investments/ bank deposits with an original maturity of three months or less.

**(r) Provisions**

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**(s) Contingent Liabilities**

Contingent liabilities exist and are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of company, unless the possibility of an outflow is remote. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required or a reliable estimate of the amount cannot be made is termed as contingent liability.

Rs. in Lakhs

	2013	2012
<b>3. SHARE CAPITAL</b>		
<b>Authorised</b>		
75,00,00,000 (75,00,00,000) Equity Shares of Re 1 each	7500.00	7500.00
<b>Issued, Subscribed and Paid-Up</b>		
61,83,98,570 (61,83,98,570) Equity Shares of Re 1 each, fully paid-up	6183.99	6183.99
	6183.99	6183.99

The details of Shareholders holding more than 5% shares as at 31 March 2013 is set out as below :

Name of Shareholder	2013	2012
	No of shares % of holding	No of shares % of holding
Tata Sons Limited	142854570 23.10%	142854570 23.10%
Life Insurance Corporation Limited	42348874 6.85%	76027598 12.29%
Tata Chemicals Limited	43175140 6.98%	43175140 6.98%

The reconciliation of the number of shares as at 31 March 2013 is set out below:

Particulars	2013	2012
Number of shares as at the beginning of the year	618398570	618398570
Add: Shares issued during the year	-	-
Number of shares as at the end of the year	618398570	618398570

## Financial Statements and Notes

**Notes forming part of the Financial Statements**

continued

	Rs. in lakhs	
	2013	2012
<b>4. RESERVES AND SURPLUS</b>		
Capital Reserve	8.67	8.67
Securities Premium Account	60112.96	60112.96
Debenture Redemption Reserve	8125.00	8125.00
Revaluation Reserve	2186.16	2186.16
Contingency Reserve	100.00	100.00
Hedging Reserve	(294.76)	(757.23)
Deductions during the year (net)	316.71	462.47
	21.95	(294.76)
General Reserve	95987.86	92960.86
Add: Transferred from Surplus in Statement of Profit and Loss	2586.54	3027.00
	98574.40	95987.86
Surplus in Statement of Profit and Loss		
Balance in the beginning of the year	48600.85	36724.85
Add: Profit for the year	25865.35	30268.36
Amount available for appropriation	74466.20	66993.21
<b>Appropriations</b>		
Proposed Dividend	13295.57	13295.57
Provision for Dividend Distribution Tax *	2068.00	2069.79
Transferred to General Reserve	2586.54	3027.00
Balance at the close of the year	56516.09	48600.85
<b>Total</b>	<b>225645.23</b>	<b>214826.74</b>

\* Provision for tax on dividend is net of **Rs. 191.58 Lakhs** (Rs. 87.08 Lakhs) relating to earlier years on account of dividend received from subsidiary.

Rs. in Lakhs

	2013	2012
<b>5. LONG-TERM BORROWINGS</b>		
<b>Secured Loans</b>		
3250 (3250), 3% Non-Convertible, privately placed, Debentures of Rs. 10 lakhs each. Redeemable at premium of Rs.195247 per debenture on 4.11.2013, at the end of 3 years from the date of allotment 4.11.2010. Series 1 - 3000 Debentures aggregating to Rs. 30000 Lakhs are secured by way of a first mortgage on certain immovable properties of the Company and first ranking exclusive charge on Long-Term Bank Deposit of Rs. 3000 Lakhs. Series 2 - 250 Debentures aggregating to Rs. 2500 Lakhs are secured by way of a first mortgage on certain immovable properties of the Company and pledge of shares of certain companies held as investments	-	32500.00
<b>Obligations under Finance Lease</b>	-	2.83
Secured against fixed asset obtained under related finance lease arrangement		
	-	32502.83
<b>6. OTHER LONG-TERM LIABILITIES</b>		
Premium Payable on Redemption of Debentures	-	6345.53
	-	6345.53
<b>7. LONG-TERM PROVISIONS</b>		
Employee Benefits	<b>7996.75</b>	4926.27
Future Payment under Contractual Obligations (Refer Note 47)	-	1544.66
	<b>7996.75</b>	6470.93
<b>8. SHORT-TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>From Banks</b>		
Working Capital Facilities Secured by way of hypothecation of raw materials, finished products, stores and spares, crop, book debts and movable assets other than plant and machinery and furniture on <i>pari passu</i> basis	<b>10856.89</b>	4182.20
<b>Unsecured Loans</b>		
From Banks	<b>7500.00</b>	-
	<b>18356.89</b>	4182.20
<b>9. TRADE PAYABLES</b>		
Trade Payables*	<b>14467.52</b>	13935.60
Due to Micro and Small Enterprises	<b>382.34</b>	74.81
	<b>14849.86</b>	14010.41

\* Includes dues to Related Parties - **Rs. 1643.10 Lakhs** (Rs. 1851.24 Lakhs)



## Financial Statements and Notes

# Notes forming part of the Financial Statements

continued

	Rs. in Lakhs	
	2013	2012
<b>10. OTHER CURRENT LIABILITIES</b>		
Unpaid Dividends*	516.00	466.51
Interest Accrued but not due on borrowings	442.18	397.59
Statutory Liabilities	895.20	966.11
Security Deposits from Customers	2862.40	2499.57
Current Maturities of Finance Lease Obligations	2.83	31.69
Premium Payable on Redemption of Debentures (Refer Note 6)	6345.53	-
Current Maturities of Long-Term Debentures (Refer Note 5)	32500.00	-
Others	7900.30	7711.21
	<b>51464.44</b>	<b>12072.68</b>

\*There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund

<b>11. SHORT-TERM PROVISION</b>		
Taxation less advance payment <b>Rs. 109286.09 lakhs</b> (Rs. 101363.26 Lakhs)	2714.20	3858.04
Wealth Tax less advance payment <b>Rs. 310.78 Lakhs</b> (Rs. 296.47 Lakhs)	40.43	39.74
Proposed Dividend	13295.57	13295.57
Tax on Dividend	2259.58	2156.87
Employee Benefits	1214.11	481.98
Future Payment under Contractual Obligations (Refer Note 47)	-	129.93
	<b>19523.89</b>	<b>19962.13</b>

	Rs. in Lakhs									
	Cost				Depreciation				Net Book Value	
	As at 01.04.2012	Additions/ Adjustment	Deductions/ Adjustment	As at 31.03.2013	As at 01.04.2012	For the Year	Deductions/ Adjustment	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>TANGIBLE</b>										
Owned :										
Land	144.21	-	-	144.21 @	-	-	-	-	144.21	144.21
Tea Estate Land/Fuel Area (Including Development)	554.99	-	-	554.99	-	-	-	-	554.99	554.99
Buildings	4274.45	199.79	-	4474.24 @	1172.72	87.11	-	1259.83	3214.41	3101.73
Bridges	0.09	-	-	0.09	0.03	-	-	0.03	0.06	0.06
Plant & Equipment	14698.17	1836.06	874.06	15660.17 @	8149.58	1013.51	789.02	8374.07	7286.10	6548.59
Furniture, Fixtures & Office Equipment	2254.37	225.99	143.30	2337.06	1094.63	201.15	116.57	1179.21	1157.85	1159.74
Motor Vehicles	279.83	57.11	8.04	328.90	190.60	10.39	7.42	193.57	135.33	89.23
Asset taken on Finance Lease Plant and Equipment	60.81	-	-	60.81	4.48	5.92	-	10.40	50.41	56.33
<b>Total</b>	22266.92	2318.95	1025.40	23560.47	10612.04	1318.08	913.01	11017.11	12543.36	11654.88
Previous Year	21293.51	2198.92	1225.51	22266.92	10391.23	1101.30	880.49	10612.04	11654.88	
<b>INTANGIBLE</b>										
Capitalised Software	1238.88	92.13	-	1331.01	788.71	114.96	-	903.67	427.34	450.17
Patent/Knowhow	1763.38	-	-	1763.38	14.69	176.34	-	191.03 +	1572.35	1748.69
Non Compete Fee	300.00	-	-	300.00	145.00	30.00	-	175.00 +	125.00	155.00
<b>Total</b>	3302.26	92.13	-	3394.39	948.40	321.30	-	1269.70	2124.69	2353.86
Previous Year	1145.09	2157.17	-	3302.26	845.46	102.94	-	948.40	2353.86	

1) Cost of Buildings include **Rs. 589.84 Lakhs** (Rs. 589.84 Lakhs) represented by shares in Co-operative Housing Societies / a Company.

2) (@) Includes amount of **Rs. 125.69 Lakhs** (Rs. 125.69 Lakhs), **Rs. 61.70 Lakhs** (Rs. 61.70 Lakhs), **Rs. 8.01 Lakhs** (Rs. 8.01 Lakhs), respectively, jointly owned/held with a subsidiary company.

3) (+) Unexpired period of amortisation for Patent/Knowhow is 107 months and Non Compete fees is 50 months.

Rs. in Lakhs

	Class	Nos.	Face Value of each	2013	2012
<b>13. NON-CURRENT INVESTMENTS</b>					
<b>Long-Term</b>					
<b>Trade Investments (Fully paid up and valued at cost)</b>					
<b>(a) Quoted Equity Investments</b>					
<b>Investment in Subsidiaries:</b>					
Tata Coffee Ltd (Note 1) #	Equity Shares	10735982	Rs. 10	<b>16150.65</b>	16150.65
Mount Everest Mineral Water Ltd.	Equity Shares	17021092 (15328285)	Rs. 10	<b>24619.40</b>	21267.64
				<b>40770.05</b>	37418.29
(# ) Inclusive of Rs. 2186.16 Lakhs (Rs. 2186.16 Lakhs) kept in Revaluation Reserve.					
<b>Others:</b>					
Tata Chemicals Ltd. (Note 1)	Equity Shares	11185522	Rs. 10	<b>5032.80</b>	5032.80
The Indian Hotels Co. Ltd.	Equity Shares	1687742	Re 1	<b>271.99</b>	271.99
Tata Motors Ltd.	Equity Shares	116665	Rs. 2	<b>46.84</b>	46.84
Tata Motors Ltd.	"A" Ordinary Shares	16665	Rs. 2	<b>10.17</b>	10.17
Tata Investment Corporation Ltd.	Equity Shares	160000	Rs. 10	<b>236.19</b>	236.19
Tata Steel Ltd.	Equity Shares	12021	Rs. 10	<b>17.02</b>	17.02
Titan Industries Ltd.	Equity Shares	9248060	Re. 1	<b>295.24</b>	295.24
Tata Consultancy Services Ltd.	Equity Shares	NIL (391200)	Re. 1	<b>-</b>	1.21
				<b>5910.25</b>	5911.46
<b>(b) Unquoted Equity Investments</b>					
Investment in Subsidiaries :					
Tata Tea Extractions Inc.	Common Stock	14000000	US\$ 1	<b>5980.46</b>	5980.46
Tata Global Beverages Group Ltd.	Ordinary Shares	70666290	GBP 1	<b>50070.98</b>	50070.98
Tata Global Beverages Capital Ltd.	Ordinary Shares	89606732	GBP 1	<b>76388.70</b>	76388.70
Consolidated Coffee Incorporated	Common Stock	199	US\$ 0.01	<b>9248.55</b>	9248.55
Zhejiang Tata Tea Extraction Company Ltd. @				<b>2469.93</b>	2469.93
Tata Tea Holdings Private Limited	Equity Shares	50000	Rs. 10	<b>5.00</b>	5.00
				<b>144163.62</b>	144163.62
@ Amount of Investments is <b>RMB 385 Lakhs</b> (RMB 385 Lakhs) in the share capital of the Company					
<b>Investment in Associates:</b>					
Estate Management Services (Pvt.) Ltd.	Ordinary Shares *	15346800	LKR 10	<b>1106.21</b>	1106.21
Amalgamated Plantations Pvt. Ltd.	Equity Shares	25010000 (24410000)	Rs. 10	<b>2501.00</b>	2441.00
Kanan Devan Hills Plantations Company (Pvt.) Ltd.	Equity Shares	3976563 NIL	Rs. 10	<b>1233.19</b>	-
				<b>4840.40</b>	3547.21
* Sale of these investments requires first offer of sale to the Venture partners.					
<b>Investment in Joint Ventures:</b>					
NourishCo Beverages Limited	Equity Shares	35000000 (17525000)	Rs. 10	<b>3500.00</b>	1752.50
Tata Starbucks Limited	Equity Shares	35000000	Rs. 10	<b>3500.00</b>	3,500.00
				<b>7000.00</b>	5252.50
<b>Others:</b>					
Tata Sons Ltd.	Equity Shares	1755	Rs. 1000	<b>975.00</b>	975.00
Tata Services Ltd.	Ordinary Shares	475	Rs. 1000	<b>4.77</b>	4.77
Tata Capital Ltd.	Equity Shares	613598 (553889)	Rs. 10	<b>95.02</b>	83.08

## Financial Statements and Notes

# Notes forming part of the Financial Statements

continued

				Rs. in Lakhs	
	Class	Nos.	Face Value of each	2013	2012
Kanan Devan Hills Plantations Company (Pvt.) Ltd.	Equity Shares	- (2500000)	Rs. 10	-	250.00
Tata Industries Ltd.	Equity Shares	6519441	Rs. 100	<b>11582.32</b>	11582.32
Taj Air Ltd.	Equity Shares	4200000	Rs. 10	<b>420.00</b>	420.00
				<b>13077.11</b>	13315.17
<b>(d) Unquoted Preference Shares</b>					
Investment in Associates :					
Amalgamated Plantations Pvt. Ltd.	0.01% Non Cum. Redeemable Preference Shares @	67000000	Rs. 10	<b>6700.00</b>	6700.00
				<b>6700.00</b>	6700.00
@ Redeemable with Special redemption premium within 7-9 years from issue date.					
<b>Other than Trade (Fully paid up and valued at cost)</b>					
<b>(a) Quoted Equity Investments</b>					
SBI Home Finance Ltd. (Note 2)	Equity Shares	100000	Rs. 10	-	-
<b>(b) Unquoted Equity Investments</b>					
W. B. Estates Acquisition Compensation Bond				<b>0.08</b>	0.08
The Annamallais Ropeways Co Ltd. (Note 2)	Ordinary Shares	2092	Rs. 100	-	-
ABC Tea Workers Welfare Services	Ordinary Shares	20000	Rs. 10	<b>2.00</b>	2.00
Assam Hospitals Ltd.	Equity Shares	200000	Rs. 10	<b>20.00</b>	20.00
The Valparai Co-operative Wholesale Stores Ltd. (Note 2)	Ordinary Shares	350	Rs. 10	-	-
Suryakiran Apartment Services Private Ltd.	Equity Shares	2146	Rs. 10	<b>0.21</b>	0.21
Jalpaiguri Club Ltd. (Cost Re. 1)	Ordinary Shares	60	Rs. 10	-	-
GNRC Ltd.	Equity Shares	50000	Rs. 10	<b>5.00</b>	5.00
IFCI Venture Capital Funds Ltd.	Equity Shares	250000	Rs. 10	<b>25.00</b>	25.00
Ritspin Synthetics Ltd. (Note 2)	Equity Shares	100000	Rs. 10	-	-
TEASERVE	Equity Shares	1	Rs. 5000	<b>0.05</b>	0.05
(The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd.)				<b>52.34</b>	52.34
<b>(c) Unquoted Debentures</b>					
The Bengal Chamber of Commerce & Industry	6 1/2% Debentures	7	Rs. 1000	<b>0.07</b>	0.07
Woodlands Hospital & Medical Res . Centre Ltd.	5% Debenture Stock	1	Rs. 95000	<b>0.44</b>	0.44
Woodlands Hospital & Medical Res . Centre Ltd. (Cost Rs. 3)	1/2% Debentures	278	Rs. 100	-	-
Shillong Club Ltd. (Cost Rs. 2)	5% Debentures	31	Rs. 100	-	-
				<b>0.51</b>	0.51
<b>(d) Unquoted Preference Shares</b>					
Thakurbari Club Ltd. (Cost Re. 1)	Preference Shares	26	Rs. 100	-	-
<b>Total</b>				<b>222514.28</b>	216361.10
Aggregate Amount of Quoted Investments				<b>46,680.30</b>	43,329.75
Market Value of Quoted Investments				<b>238832.23</b>	172054.87
Aggregate Amount of Unquoted Investments				<b>175833.98</b>	173031.35

1. 769276 shares of Tata Chemicals Limited and 210000 shares of Tata Coffee Limited are pledged against outstanding 3% Non-Convertible privately placed "Series 2" Debentures aggregating to Rs. 2500 Lakhs.

2. Fully provided (Original Cost Rs. 22.14 Lakhs).

Rs. in Lakhs

	2013	2012
<b>14. DEFERRED TAX ASSETS</b>		
<b>Deferred Tax Liability</b>		
Depreciation	1828.98	1737.74
	<b>1828.98</b>	1737.74
<b>Deferred Tax Asset</b>		
Provision for doubtful debts/advances	268.21	263.95
Employee Benefits	2645.49	1421.13
Employee Separation Schemes	542.58	579.24
Carry forward agricultural income-tax loss*	13.33	41.23
Provision for Contractual Obligations (Refer Note 47)	-	543.32
Other Assets	679.39	659.88
	<b>4149.00</b>	3508.75
	<b>2320.02</b>	1771.01

\*To the extent of offsetting Deferred Tax Liabilities.

#### 15. LONG-TERM LOANS AND ADVANCES

Unsecured and Considered Good unless otherwise stated		
Capital Advances	103.24	32.96
Security Deposit *	1612.31	1213.95
<b>Other Advances</b>		
Inter Corporate Loans (Secured)	2400.00	2400.00
Employee Loans and Advances	92.31	92.74
Considered Doubtful		
Security Deposit	28.89	-
Less:Provision for Doubtful Deposits	28.89	-
	<b>4207.86</b>	3739.65

\* includes Security Deposits to Related Party **Rs. 100 lakhs** (Rs. Nil)

#### 16. OTHER NON CURRENT ASSETS

Receivable from Amalgamated Plantations Private Limited *	-	60.00
Long-term Bank deposits **	-	3000.00
	-	3060.00

\* Converted into Equity Shares.

\*\* Earmarked as a Lien on Series 1, 3% Non Convertible Debentures aggregating to Rs. 30000 lakhs.

## Financial Statements and Notes

# Notes forming part of the Financial Statements

continued

**17. CURRENT INVESTMENTS**

				Rs. in Lakhs	
	Class	Nos.	Face Value of each	2013	2012
<b>I. Current Portion of Long-Term Investment</b>					
<b>Trade Investments (Fully paid up and valued at cost)</b>					
<b>(a) Quoted Debentures</b>					
<b>Investment In Subsidiaries:</b>					
Tata Coffee Ltd.	7% Secured Redeemable Non Convertible Debentures	-	-	-	2209.03
	- redeemed during the year	(4418051)	Rs. (50)		
				-	2209.03
<b>(b) Unquoted Debentures</b>					
<b>Others:</b>					
Infiniti Retail Ltd.	6% Secured Redeemable Non Convertible Debentures #	-	-	-	1500.00
	- redeemed during the year	(3)	(Rs. 50000000)		
# Redeemable with premium of 6.27% on maturity.					
				-	1500.00
<b>II. Mutual Funds (Unquoted)</b>					
Tata Mutual Fund	Units of Tata Fixed Maturity Plan Fund	-		-	500.00
	Tata Fixed Maturity Plan - Series 35 Scheme - B	(5000000)	Rs. (10)		
	- redeemed during the year				
				-	500.00
<b>Total</b>				-	4209.03
Aggregate Amount of Quoted Investments (Current portion of Long-term Investment)				-	2209.03
Market Value of Quoted Investments (Current portion of Long-term Investment)				-	1860.00
Aggregate Amount of Unquoted Investments				-	2000.00

			Rs. in Lakhs	
			2013	2012
<b>18. INVENTORIES</b>				
<b>Raw Material</b>				
Tea (Includes in transit Rs. Nil (Rs. 47lakhs))			43973.47	28192.63
Packing Materials			2867.73	2529.32
			46841.20	30721.95
<b>Finished Goods</b>				
Tea			17658.64	13747.73
Others			10.16	15.27
			17668.80	13763.00
<b>Traded Goods</b>				
Formulations			75.14	127.08
Stores and Spare Parts			570.80	734.82
			65155.94	45346.85

Rs. in Lakhs

	2013	2012
<b>19. TRADE RECEIVABLES</b>		
(Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	105.11	14.82
Considered Doubtful	520.23	519.34
Others		
Considered Good	10806.27	9048.94
	<b>11431.61</b>	9583.10
Less: Provision for Doubtful Debts	520.23	519.34
	<b>10911.38</b>	9063.76
<b>20. CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash and Cheques in hand	96.05	2.18
Fixed Deposits with Bank (original maturity of less than 3 months)	-	1000.00
Bank Balances in Current Account	1440.06	278.61
	<b>1536.11</b>	1280.79
<b>Other Bank Balances</b>		
Unclaimed Dividend Accounts	516.00	466.51
Fixed Deposits with Bank (original maturity of more than 6 months but less than 12 months) * - Refer Note 16	3000.00	-
	<b>5052.11</b>	1747.30
* Earmarked as a Lien on Series 1, 3% Non Convertible Debentures aggregating to Rs. 30000 lakhs.		
<b>21. SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured and Considered Good unless otherwise stated</b>		
Due from Related Parties	1417.39	1159.57
Due from Officer	-	0.60
Insurance Claims Receivable	4.47	-
Advance to Suppliers and Others	1663.31	1818.36
Inter Corporate Deposits	14000.00	12500.00
Employee Loans and Advances	57.30	57.62
Prepaid Expenses	1027.91	830.25
<b>Considered Doubtful</b>		
Other Advances for Supply of Goods and Services	239.96	265.31
Less: Provision for Advances	239.96	265.31
	<b>18170.38</b>	16366.40
<b>22. OTHER CURRENT ASSETS</b>		
Interest Accrued	329.28	344.82
Export Incentive Receivable	315.00	270.00
	<b>644.28</b>	614.82



## Financial Statements and Notes

# Notes forming part of the Financial Statements

continued

	2013	2012	Rs. in Lakhs
<b>23. REVENUE FROM OPERATIONS</b>			
Sales of Tea	227325.89	199152.34	
Others	277.08	306.45	
Sales of Traded Goods	79.56	12.54	
Service Income	118.67	111.13	
Less: Excise duty	17.63	18.97	
	<b>227783.57</b>		199563.49
Other Operating Revenues			
Export Incentive	760.00	1554.51	
Liabilities no longer required written back	1212.25	884.65	
Management Service Fees	1764.60	819.70	
Provision for Doubtful Advances written back**	12.79	-	
Miscellaneous Receipts*	1076.29	706.62	
	<b>4825.93</b>		3965.48
	<b>232609.50</b>		203528.97
* Miscellaneous Receipts includes Subsidy from State Govt. <b>Rs. 13.83 Lakhs</b> (Rs. 32.05 Lakhs).			
** Net of debts and advances written off <b>Rs. 12.55 Lakhs</b> (Rs. Nil Lakhs).			
<b>24. OTHER INCOME</b>			
Dividend Income from Non Current Trade Investments	2608.92	1724.89	
Dividend from Mutual Funds	195.98	593.10	
Dividend from Investment in Subsidiaries	6245.18	4466.94	
Profit on sale of Current Investments (net)	0.97	-	
	<b>9051.05</b>		6784.93
Rent Income		<b>34.67</b>	23.71
Interest Income on Advances	2090.55	1180.20	
Interest Income on Deposits	3.65	14.54	
Interest Income from Investments	117.68	1320.25	
Others	-	85.83	
	<b>2211.88</b>		2600.82
	<b>11297.60</b>		9409.46

Rs. Lakhs

	2013	2012	
<b>25. COST OF MATERIALS CONSUMED</b>			
Tea			
Opening Stock	28192.63	27146.65	
Add: Purchases	155694.49	116216.27	
Less: Closing Stock	43973.47	28192.63	
	<b>139913.65</b>		115170.29
Green Leaf	2099.62		<b>1703.19</b>
Packing Material			
Opening Stock	2529.32	2341.10	
Add: Purchases	12646.92	11671.38	
Less: Closing Stock	2867.73	2529.32	
	<b>12308.51</b>		11483.16
Others	605.33		984.22
	<b>154927.11</b>		129340.86
<b>26. CHANGES IN INVENTORY OF FINISHED GOODS/TRADED GOODS</b>			
<b>Stock as at 1st April</b>			
Tea	13747.73	12853.81	
Others	142.35	58.45	
	<b>13890.08</b>		12912.26
<b>Stock as at 31st March</b>			
Tea	17658.64	13747.73	
Others	85.30	142.35	
	<b>17743.94</b>		13890.08
	<b>(3853.86)</b>		(977.82)
<b>27. EMPLOYEE BENEFITS EXPENSE</b>			
Salaries, Wages and Bonus *	8709.08	7608.78	
Contribution to Provident Fund and other Funds	1138.60	779.19	
Workmen and Staff Welfare Expenses	1577.33	1216.59	
Others	580.65	464.71	
	<b>12005.66</b>		10069.27
* Includes net credit of earlier years <b>Rs. 28 Lakhs</b> (Rs. 192.94 Lakhs).			
<b>28. FINANCE COSTS</b>			
<b>Interest</b>			
On Fixed Loans	1617.86	1053.90	
On Debentures	975.00	975.00	
On Other Loans	608.28	344.48	
	<b>3201.14</b>		2373.38
Bank Charges	-		32.52
Exchange difference to the extent considered as an adjustment to borrowing costs	-		298.14
	<b>3201.14</b>		2704.04

## Financial Statements and Notes

# Notes forming part of the Financial Statements

continued

	Rs. lakhs	
	2013	2012
<b>29. OTHER EXPENSES</b>		
Cultivation, Plucking, Manufacturing and Contract Packing Expenses *	3789.42	3043.68
Consumption of Stores and Spare Parts	708.95	675.69
Power and Fuel (net of recovery)	2790.67	2531.03
Repairs to Plant and Machinery	360.74	326.95
Repairs to Buildings	455.84	443.79
Rent	2269.35	1910.22
Rates and Taxes	582.27	530.35
Advertisement and Sale Charges	16313.15	15369.27
Freight	4425.64	4188.90
Insurance	284.13	289.29
Management Service Fees	3301.71	2838.16
Exchange Loss (Net)	695.72	960.30
Loss on Sale/Discard of Fixed Assets (net)	95.18	23.15
Provision for Doubtful Debts and Advances	0.89	210.13
Debts and Advances written off	-	2.18
Miscellaneous Expenses	9365.27	8303.96
Audit Fees		
Statutory Audit	36.00	31.00
Tax Audit	9.00	9.00
Other Services	60.95	52.90
Reimbursement of Expenses (including Service Tax)	21.95	14.96
	<b>45566.83</b>	<b>41754.91</b>

\* Includes Contract Packing expenses **Rs. 2329.56 lakhs** (Rs. 2921.31 lakhs)

**30. EXCEPTIONAL ITEMS**

<b>Income</b>		
Profit on sale of Non Core Investment	5326.06	13721.45
<b>(Expenditure)</b>		
Provision for Retirement Benefit/Contractual Obligations - Net (Refer Notes 45 & 47)	(1180.84)	(1801.00)
Cost of Long-Term Initiatives	(117.00)	(1261.20)
Settlement of Claims	-	(571.00)
Loss on Discard of Assets	-	(472.39)
Product Development Costs	(1694.00)	(1303.00)
One time Pension increase Costs	(547.00)	-
	<b>1787.22</b>	<b>8312.86</b>

**31.** Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2013 aggregated **Rs 636.37 Lakhs** (Rs. 689.63 Lakhs) (Net of advances **Rs. 103.24 Lakhs** (Rs. 32.96 Lakhs)).

### 32. Contingent Liabilities not provided for in respect of:

- (a) Claims under adjudication not acknowledged as debts:

	Gross Rs. in Lakhs	Net of Estimated Tax Rs. in Lakhs
(i) Taxes, Statutory Duties/ Levies etc.	1060.45 (700.01)	665.19 (434.92)
(ii) Commercial and other Claims	500.61 (483.25)	315.26 (311.63)

- (b) Labour disputes under adjudication relating to some staff – amount not ascertainable.

- (c) Counter Guarantee given on behalf of an Associate Company **Rs. Nil** (Rs. 21.30 Lakhs).

- (d) Guarantee given to the lender of a subsidiary **Rs. 13221.77 Lakhs** (Rs. 6788.60 Lakhs), which is fully backed by a counter guarantee given by another subsidiary.

33. Micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmations received in response to intimation in this regard sent by the Company to the suppliers. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at 31st March 2013.

- 34 a) The Company had entered into a put option agreement with International Finance Corporation (IFC) in relation to their investment in Amalgamated Plantations Private Limited (APPL). In terms of the said agreement, IFC has the right to exercise a put option whereby the Company is obliged to purchase a maximum of 300 Lakhs shares in APPL, if certain conditions or events stipulated in the said agreement do not occur.

	Rs. in Lakhs	
	2013	2012
<b>35. Expenditure incurred in respect of the Company's Research and Development</b>		
Capital Expenditure	11.90	30.72
Revenue Expenditure	314.72	587.83
	<b>326.62</b>	618.55

36. a. The Company's leasing arrangements are in respect of operating leases for premises (residential, office, godown, etc.) and motor cars and finance lease for certain plant and machinery.

These operating leasing arrangements which are cancellable ranges between 5 months to 5 years and are usually renewable on mutually agreeable terms. The aggregate lease rentals payable in respect of premises are charged as Rent and in respect of motor cars amounting to **Rs. 337.78 Lakhs** (Rs. 282.68 Lakhs) are charged under Miscellaneous expense under Note 29 of Statement of Profit and Loss.

	Rs. in Lakhs	
	2013	2012
<b>b Obligation towards finance lease</b>		
<b>Asset acquired under finance lease</b>		
i) Minimum Lease Payments		
Not later than one year	2.86	34.34
later than one year but not later than five years	-	2.86
<b>Total</b>	<b>2.86</b>	37.20
ii) Present value of Minimum Lease payments		
Not later than one year	-	31.69
later than one year but not later than five years	2.83	2.83
	<b>2.83</b>	34.52
Add: Amount representing Interest Expense	-	2.68
<b>Total</b>	<b>2.83</b>	37.20

## Financial Statements and Notes

# Notes forming part of the Financial Statements

continued

**37. Value of Raw Materials and Stores and Spare Parts consumed - Gross**

	Raw Materials		Stores Spare	
	Value Rs. in Lakhs	% of total consumption	Value Rs. in Lakhs	% of total consumption
Imported	4910.65 (5325.18)	3.18 (4.12)	62.48 (64.32)	5.12 (5.40)
Indigenous	150016.46 (124015.68)	96.82 (95.88)	1158.91 (1125.92)	94.88 (94.60)
	154927.11 (129340.86)	100.00 (100.00)	1221.39 (1190.24)	100.00 (100.00)

	Rs. in Lakhs	
	2013	2012
<b>38. Earnings in Foreign Exchange</b>		
Value of Exports at F.O.B.	15225.69	15731.27
Technical Service Fees - Gross	105.63	98.30
Dividends - Gross	5428.45	3978.44
Management Service Fees	1764.60	819.70
Others (Freight, Insurance etc.)	652.57	778.99
	23176.94	21406.70

**39. Expenditure in Foreign Currency**

Selling Expenses	-	36.77
Foreign Travel	168.49	79.84
Professional Fees	546.69	544.17
Management Service Fees	2942.41	2573.13
Other Expenses	123.38	70.29

**40. Value of Imports on C.I.F. basis**

Raw Materials	5283.35	5091.55
Finished Goods	90.91	147.06
Stores, Spare Parts	75.30	52.50
Capital Goods	32.34	4.47

**41. Dividend remitted in foreign currency**

No of shareholders	1	1
No of shares held in Lakhs	28.06	0.99
Dividend remitted (Rs. Lakhs)	60.32	1.98
Year	2011-12	2010-11

## 42. a) Related Party Disclosure

### Related Parties

#### Promoter

Tata Sons Limited.

#### Subsidiaries

Tata Global Beverages Group Limited  
 Tata Global Beverages Holdings  
 Tata Global Beverages Services Limited  
 Tata Global Beverages GB Limited  
 Tata Global Beverages Overseas Holdings Limited  
 Tata Global Beverages Overseas Limited  
 Lyons Tetley Limited  
 Tata Global Beverages U.S. Holdings, Inc.  
 Tetley USA Inc.  
 Tata Global Beverages Canada Inc.  
 Tata Global Beverages Australia Pty Limited  
 Stansand Limited  
 Stansand (Brokers) Limited  
 Stansand (Africa) Limited  
 Stansand (Central Africa) Limited  
 Tata Global Beverages Polska Sp.z.o.o  
 Drassington Limited, UK  
 Good Earth Corporation  
 Good Earth Teas Inc.  
 Teapigs Limited  
 Tata Global Beverages Czech Republic a.s.,  
 Joekels Tea Packers (Proprietary) Limited (South Africa)  
 Tata Global Beverages Investments Limited  
 Campestrs Holdings Limited  
 Kahutara Holdings Limited  
 Suntyco Holding Limited  
 Onomento Co Limited  
 OOO Tea Trade LLC  
 OOO Sunty LLC

#### Subsidiaries (contd.)

Tata Coffee Limited  
 Consolidated Coffee Inc.  
 Eight 'O Clock Holdings Inc.  
 Eight 'O Clock Coffee Inc.  
 Alliance Coffee Limited  
 Tata Tea Extractions Inc.  
 Tata Global Beverages Capital Limited  
 Mount Everest Mineral Water Limited  
 Zhejiang Tata Tea Extraction Company Limited.  
 Tata Tea Holdings Private Limited

#### Associates

Estate Management Services Pvt. Limited, Sri Lanka  
 Amalgamated Plantations Pvt. Limited  
 Kanan Devan Hills Plantation Company Pvt. Limited (w.e.f. 30th October 2012)

#### Joint Ventures

NourishCo Beverages Limited  
 Tata Starbucks Limited

#### Associates of Subsidiaries

The Rising Beverages Company LLC  
 Bjets Pte. Limited (w.e.f. 30th January 2012)

#### Joint Venture of Subsidiaries

Tetley ACI (Bangladesh) Limited  
 Southern Tea LLC  
 Empirical Group LLC  
 Tetley Clover (Private) Limited.  
 Tata Coffee (Uganda) Ltd. (Dissolved on 21st December 2012)

#### Key Management Personnel

Mr. P T Siganporia - Managing Director (till 30.06.2012)  
 Mr. Harish Bhat - Managing Director (w.e.f. 01.07.2012)  
 Mr. Ajoy Misra - Executive Director



## Financial Statements and Notes

# Notes forming part of the Financial Statement

continued

**Particulars of transactions during the year ended 31st March 2013**

Nature of Transactions	Rs. in Lakhs				
	Subsidiaries	Associates/ Joint Ventures	Promoter	Key Management Personnel	Total
Sale of Goods & Services	14951.49	38.68	-	-	14990.17
	(15588.79)	(12.54)	-	-	(15601.33)
Other Income	1764.60	216.97	-	-	1981.57
	(819.70)	(0.84)	-	-	(820.54)
Rent Paid	-	54.57	-	-	54.57
	-	(44.98)	(9.15)	-	(54.13)
Purchase of Goods & Services	6064.16	17699.16	-	-	23763.32
	(5538.37)	(17008.85)	-	-	(22547.22)
Fees for Product Development	516.86	1348.32	-	-	1865.18
	(496.35)	(918.80)	-	-	(1415.15)
Other Expenses (net)	-	345.00	653.92	-	998.92
	-	(361.00)	(560.48)	-	(921.48)
Reimbursement of Expenditure/(Income)	22.17	456.53	10.33	-	489.03
	(125.73)	((50.02))	(6.31)	-	(82.02)
Dividend/Interest received	7080.24	464.08	140.40	-	7684.72
	(4737.23)	(451.51)	(140.40)	-	(5329.14)
Dividend Paid	-	-	3071.37	-	3071.37
	(19.65)	-	(2817.44)	-	(2837.09)
Investments Redeemed/Sold	2209.03	-	-	-	2209.03
	(2209.03)	(2581.62)	-	-	(4790.65)
Deposits Given	-	-	100.00	-	100.00
	-	-	-	-	-
Deposit redeemed	-	-	-	-	-
	-	-	(400.00)	-	(400.00)
Investments made	-	1807.50	-	-	1807.50
	(2806.91)	(5000.00)	-	-	(7806.91)
Directors' Remuneration*	-	-	-	304.67	304.67
	-	-	-	(100.86)	(100.86)
Outstanding at the year end:					
	Debit				
	4090.65	2812.37	-	-	
	(3227.80)	(706.38)	-	-	
	Credit				
	781.62	263.33	598.15	-	
	(420.97)	(409.37)	(507.29)	-	

\* Provision for employee benefits, which are based on actuarial valuation done on an overall Company basis, is excluded. The above does not include share of recurring/special benefits payables to former Director.

**42. b) Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same type**

			Rs. in Lakhs	
			2013	2012
1	Sale of Goods and Services	Tata Global Beverages Group Limited	3059.14	3791.59
		Tata Global Beverages Australia Pty Limited	4745.86	4060.06
		Tata Global Beverages Polska Sp.z.o.o	1873.86	2232.10
		Tata Tea Extractions US Inc.	4769.47	4929.53
2	Other Income	Tata Global Beverages Services Limited	1764.60	819.70
		Kanan Devan Hills Plantation Company Pvt. Limited	209.08	-
3	Purchase of Goods & Services	Amalgamated Plantations Pvt. Ltd.	14737.29	16987.73
		Tata Global Beverages Services Limited	3243.60	2573.12
4	Rent Paid	Tata Sons Ltd.	-	9.15
		Amalgamated Plantations Pvt. Ltd.	54.57	44.98
5	Fees for Product Development	Mount Everest Mineral Water Limited	516.86	496.35
		NourishCo Beverages Limited	1348.32	918.80
6	Other Expenses (net)	Tata Sons Ltd.	653.92	560.48
		Amalgamated Plantations Pvt Ltd.	345.00	361.00
7	Reimbursement of Expenditure (net)	Mount Everest Mineral Water Limited	60.94	125.73
		Amalgamated Plantations Pvt. Ltd.	209.25	176.85
		Kanan Devan Hills Plantation Company Pvt. Limited	368.46	-
		NourishCo Beverages Limited	(103.92)	(151.49)
		Tata Starbucks Limited	(17.26)	(75.38)
8	Dividend and Interest Received	Tata Global Beverages Group Limited	1866.43	1721.41
		Tata Global Beverages Capital Limited	2661.00	2208.74
		Tata Coffee Ltd.	1832.57	807.09
		Consolidated Coffee Inc.	720.25	-
9	Dividend Paid	Tata Sons Ltd.	3071.37	2837.44
10	Deposits Given	Tata Sons Ltd.	100.00	-
11	Deposits Redeemed	Tata Sons Ltd.	-	400.00
12	Investments Sold	Tata Coffee Ltd.	2209.03	2209.03
		Amalgamated Plantations Pvt. Ltd.	-	2581.62
13	Investments made	Amalgamated Plantations Pvt. Ltd.	60.00	-
		NourishCo Beverages Limited	1747.50	1500.00
		Tata Starbucks Limited	-	3500.00

**42. c) Disclosure under Clause 32 of the Listing Agreement**

Amount of Loans and Advances in nature of loans outstanding from Subsidiaries/Associate as at 31st March 2013

			Rs. in Lakhs	
			Outstanding 31st March 2013	Maximum Outstanding during the year
Associate Company				
	Kanan Devan Hills Plantation Company Pvt. Limited		2400.00	2400.00

43. The Company has only one reportable primary segment i.e. tea. It has identified Geographical segment as the secondary segment. During the year and the previous comparable year, the value of export sales made by the Company did not exceed the quantitative threshold set. Accordingly, reporting on disclosures in the secondary format of geographical segment are not applicable to the Company.

# Notes forming part of the Financial Statements

continued

## 44. Interest in Joint Venture

- i) The Company's interest, as a venturer, in jointly controlled entities (incorporated Joint Venture) is:

Name	Country of Incorporation	% Ownership interests as at 31st March 2013	% Ownership interests as at 31st March 2012
NourishCo Beverages limited	India	50%	50%
Tata Starbucks Limited	India	50%	50%

- ii) The Company's interest in these Joint Ventures is reported as Non Current Trade Investments (Note - 13) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interests in these Joint Ventures are :

Extract of Statement of Profit and Loss	Rs. in Lakhs	
	2012-13	2011-12
<b>Income</b>		
Revenue from Operations	3216.60	981.22
Other Income	244.37	72.79
<b>Total Revenue</b>	<b>3460.97</b>	1054.01
<b>Expenses</b>		
Cost of Materials Consumed	1387.28	132.29
Purchases of Stock-in-Trade	1396.31	1013.50
Change in Inventories of Finished Goods	(14.95)	(111.73)
Employee Benefits Expense	587.10	106.90
Finance Costs	0.23	-
Depreciation and Amortisation Expense	76.89	0.36
Other Expenses	3122.17	1506.14
<b>Total Expenses</b>	<b>6555.03</b>	2647.46

	Rs. in Lakhs	
Extract of Balance Sheet	2012-13	2011-12
<b>Non-current Liabilities</b>		
(a) Other long-term liabilities	16.86	8.51
(b) Long-term provisions	8.94	0.61
<b>Sub-total - Non-current liabilities</b>	<b>25.80</b>	9.12
<b>Current Liabilities</b>		
(a) Short-term Borrowings	42.69	-
(b) Trade Payables	2380.72	170.18
(c) Other current liabilities	389.83	130.52
(d) Short-term provisions	1.71	636.78
<b>Sub-total - Current liabilities</b>	<b>2814.95</b>	937.48
<b>Assets</b>		
<b>Non-current Assets</b>		
(a) Fixed Assets	2407.70	2.34
(b) Deferred tax Assets	-	8.59
(c) Long-term loans and advances	944.66	12.50
(d) Other non-current Assets	-	1.45
<b>Sub-total - Non-current assets</b>	<b>3352.36</b>	24.88
<b>Current Assets</b>		
(a) Inventories	792.97	127.91
(b) Trade Receivables	210.62	84.25
(c) Cash & Bank balance	1346.86	4419.08
(d) Short-term loans and advances	302.51	313.08
(e) Other current assets	0.91	50.03
<b>Sub-total - Current assets</b>	<b>2653.87</b>	4994.35

- iii) Capital Commitment of the Company in relation to the interest in Tata Starbucks Limited is **Rs. 2300 Lakhs** (Rs. Nil), being its contribution to subscribe to the share capital of the Joint Venture as when required.

#### 45. Post Retirement Employee Benefits:

The Company operates defined benefit schemes like provident fund and defined contribution superannuation schemes. For these schemes, contributions are made by the Company, based on current salaries, to recognised funds maintained by the Company and for certain categories contributions are made to State Plans. In case of Provident Fund schemes, contributions are also made by the employees. An amount of **Rs 706.49 Lakhs** (Rs. 641.49 Lakhs) has been charged to the Statement of Profit and Loss on account of defined contribution schemes.

The Company also operates defined benefit schemes like retirement gratuity, defined superannuation benefits and post retirement medical benefits. The superannuation benefits and medical benefits are restricted to certain categories of employees. The defined benefit schemes offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by an independent actuary in compliance with Accounting Standard 15 (revised 2005) on Employee Benefits. Wherever recognised funds have been set up, annual contributions are also made by the Company. Employees are not required to make any contribution.

During the year the Company has adopted a policy for Post Retirement benefit obligation ("Others") towards qualifying Employee/Directors in the form of pension, medical and other benefits, by using the principles as stated in AS 15- Employee Benefits. The quantum and payment of the said benefits are subject to eligibility criteria of the retiring employee/directors and is payable at the discretion of the Board after the vesting conditions are fulfilled.

## Financial Statements and Notes

# Notes forming part of the Financial Statements

continued

**45. Post Retirement Employee Benefits (contd.)**

Amounts recognised in the Statement of Profit and Loss and charged to Contribution to Provident Fund and other Funds, Workmen and Staff Welfare Expenses and Exceptional Items are as follows:

Rs. in Lakhs

	Pension		Gratuity		Medical		Others
	2013	2012	2013	2012	2013	2012	2013
<b>Current Service Cost</b>		-	<b>92.86</b>	83.70	<b>112.99</b>	99.22	<b>2,749.10</b>
Interest on obligation	<b>100.17</b>	118.41	<b>174.63</b>	146.25	<b>248.86</b>	206.53	<b>123.60</b>
Expected Return on Plan Assets	<b>(64.18)</b>	(83.86)	<b>(142.89)</b>	(116.52)		-	
Net actuarial loss/(gain) recognised during the year	<b>(45.71)</b>	(67.40)	<b>391.76</b>	(61.13)	<b>191.68</b>	52.30	<b>(90.42)</b>
Loss/(Gain) on Acquisition & Divestiture	-	-	-	4.56		-	-
Effects of the limit in Para 59(b)	<b>(4.40)</b>	12.02	-	-		-	-
Total recognised in Statement of Profit and Loss	<b>(14.12)</b>	(20.83)	<b>516.36</b>	56.86	<b>553.53</b>	358.05	<b>2782.28</b>

**Reconciliation of opening and closing balances of the present value of the obligations:**

Rs. in Lakhs

	Pension		Gratuity		Medical		Others
	2013	2012	2013	2012	2013	2012	2013
Opening defined benefit obligation	<b>1325.31</b>	1422.89	<b>2109.23</b>	2002.79	<b>2794.68</b>	2491.08	-
Current Service Cost	-	-	<b>92.87</b>	83.70	<b>112.99</b>	99.22	<b>2,749.10</b>
Past Service Cost	-	-	-	0.00	-	-	-
Interest Cost	<b>100.18</b>	118.41	<b>174.63</b>	146.25	<b>248.86</b>	206.53	<b>123.60</b>
Actuarial loss/(gain)	<b>(92.72)</b>	(123.52)	<b>451.83</b>	(24.90)	<b>191.68</b>	52.30	<b>(90.42)</b>
Liabilities assumed on Acquisition/(settled on Divestiture) etc.	-	-	<b>80.99</b>	50.63	-	-	-
Benefit Paid	<b>(228.18)</b>	(92.46)	<b>(273.63)</b>	(149.23)	<b>(69.05)</b>	(54.45)	<b>(126.26)</b>
Closing Defined Benefit Obligation	<b>1104.59</b>	1325.31	<b>2635.92</b>	2109.23	<b>3279.16</b>	2794.68	<b>2656.02</b>

**Reconciliation of opening and closing balances of the fair value of plan assets:**

Rs. in Lakhs

	Pension		Gratuity	
	2013	2012	2013	2012
Opening fair value of Plan Assets	<b>1001.36</b>	1023.49	<b>2052.37</b>	1755.27
Expected Return on Plan Assets	<b>64.18</b>	83.86	<b>142.89</b>	116.51
Actuarial gain/(loss)	<b>(47.01)</b>	(56.12)	<b>56.24</b>	36.23
Contribution/(Withdrawal) by employer	-	-	<b>60.71</b>	247.52
Assets acquired on Acquisition/(settled on Divestiture)	-	-	<b>80.99</b>	46.07
Benefits Paid	<b>(181.19)</b>	(49.87)	<b>(273.63)</b>	(149.23)
Closing Fair value of Plan Assets	<b>837.34</b>	1001.36	<b>2119.57</b>	2052.37
Actual Return on Plan Assets	<b>17.17</b>	27.74	<b>199.13</b>	152.74

**Major Categories of Plan Assets as a percentage of fair value of the total plan assets:**

	<b>2013</b>	<b>2012</b>
Govt. of India Securities	<b>10.3%</b>	9.8%
PSU bonds	<b>4.2%</b>	4.0%
Insurance managed Funds	<b>85.4%</b>	85.9%
Others	<b>0.1%</b>	0.2%
<b>Total</b>	<b>100%</b>	100%

**Effect of increase/decrease of one percentage point in the assumed medical inflation rates:**

	Rs. in Lakhs			
	<b>Increase</b>		<b>Decrease</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Effect on aggregate of interest cost and current service cost	<b>37.54</b>	32.8	<b>(34.44)</b>	(30.10)
Effect on defined benefit obligation	<b>301.16</b>	251.52	<b>(276.28)</b>	(230.75)

**Principal Actuarial assumptions used:**

	<b>2013</b>	<b>2012</b>
Discount rates	<b>8.16%</b>	8.65%
Expected rate of return on plan assets	<b>7.50%</b>	7.50%
Expected salary increase rates	<b>5% and 6% based on employee category</b>	4% and 5% based on employee category
Medical inflation rate	<b>8%</b>	8%
Mortality rates	<b>LIC 1994-96 mortality tables</b>	LIC 1994-96 mortality tables



## Financial Statements and Notes

# Notes forming part of the Financial Statement

continued

**45. Post Retirement Employee Benefits (contd.)**

Amounts recognised in the Balance Sheet are as follows:

	Rs. in Lakhs															
	Pension					Gratuity					Medical					Others
	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009	2013
Present value of funded obligation	641.83	841.71	896.27	911.38	1374.61	2635.92	2109.22	2053.42	1909.66	1848.97	-	-	-	-	-	-
Fair Value of Plan Assets	837.35	1001.36	1023.49	999.38	1360.36	2119.56	2052.36	1811.61	1851.47	1363.37	-	-	-	-	-	-
	(195.52)	(159.65)	(127.22)	(88.00)	14.25	516.36	56.86	241.81	58.19	485.60	-	-	-	-	-	-
Present Value of Unfunded Obligation	462.76	483.60	526.62	583.60	336.91	-	-	-	-	-	3279.16	2794.69	2491.08	2121.41	1791.52	2656.02
Amount not recognised as an asset (limit in Para 59 (b) of AS-15)	66.45	70.85	58.83	40.53	6.29	-	-	-	-	-	-	-	-	-	-	-
Net Liability	333.69	394.80	458.23	536.13	357.45	516.36	56.86	241.81	58.19	485.60	3279.16	2794.69	2491.08	2121.41	1791.52	2,656.02

	Rs. in Lakhs				
	2013	2012	2011	2010	2009
Experience adjustment on Plan Liability	45.56	313.69	373.76	571.66	328.57
Experience adjustment on Plan Assets	102.92	12.79	46.13	121.07	2.73

The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, future salary increases, supply and demand in the employment market etc. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

The contribution expected to be made by the Company for the year ending 31st March 2013 is not readily ascertainable.

The Guidance on Implementing AS15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended 31st December 2011.

The actuary has accordingly provided a valuation and based on the below provided assumptions there is no shortfall as at 31st March 2013.

Particulars	Rs. in Lakhs	
	Provident Fund	
	2013	2012
Plan Assets as at period end	6578.26	5913.31
Present Value of Funded Obligations at period end	6578.26	5913.31
Amount Recognised in the Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	Provident Fund	
	2013	2012
Guaranteed Rate of Return	8.50%	8.25%
Discount Rate for remaining term to Maturity of Investment	7.98%	8.55%
Expected Rate of Return on Investment	8.61%	8.87%

#### 46. Disclosure requirement for Derivatives Instruments

The Company uses foreign currency hedges to manage its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions. The Company does not use derivative contracts for trading or for speculative purposes.

a) The outstanding forward exchange contracts for sale of foreign currency as at 31st March 2013 are:

No. of Contracts	US\$ in Lakhs	AU\$ in Lakhs	Rupee Equivalent in Lakhs
84	75.00	56.50	7484.36
(44)	(55.00)	(71.50)	(6647.75)

b) The outstanding currency options for sale of foreign currency as at 31st March 2013 are:

No. of Contracts	US\$ in Lakhs	AU\$ in Lakhs	Rupee Equivalent in Lakhs
-	-	-	-
(12)	(56.25)	-	(2317.50)

c) The foreign currency exposures of monetary items that have not been hedged are:

	US\$ equivalent in Lakhs	Rs. in Lakhs
Amounts receivable in foreign currency	70.30	3817.13
	(70.93)	(3608.36)
Amounts payable in foreign currency	15.94	865.61
	(10.62)	(540.49)

#### 47. Details of Provision for Future Payments under Contractual obligations

Year	Opening Balance	Provision during the year	Amount paid/Adjusted during the year	Rs. in Lakhs Closing balance
2012-13	1674.59	-	1674.59	-

The Company has adopted a policy for Post Retirement benefit obligation towards Qualifying Employee/Directors. (Refer note 45) The liability net of deferred tax has been adjusted/reversed.

48. Unless otherwise stated, figures in brackets relate to previous year and have been rearranged/regrouped wherever necessary.

#### Statement of area, crop and yield & Company's General Business Profile

	Estate	Address	Hectarage	Crop (Kgs)	Yield/Bearing Hect (kgs)
TEA	<b>KERALA</b>				
	Periakanal	PO Munnar Dist Idukki Kerala 685612	340.13	996363	2929
	Pullivasal	PO Munnar Dist Idukki Kerala 685612	423.88	1076912	2541
		Total Kerala	764.01	2073275	2714

# Independent Auditors' Report

## To the Board of Directors of Tata Global Beverages Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Tata Global Beverages Limited ("the Company") and subsidiaries, its jointly controlled entities and associate companies; hereinafter referred to as the "Group" (refer Note 2(b) to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at 31st March 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

## Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under Section 211(3C) of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and to the best of our information and according to the explanations given to us, in our opinion, read with the proviso and the effect of the matter referred to paragraph 8 below, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2013;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matter

8. As mentioned in Note 41(d) to the financial statements, the overseas subsidiaries of the group have defined benefit schemes relating to which the actuarial losses or gains are allowed to be recognised in the Reserves as per the local generally accepted accounting practices followed in those respective jurisdictions. For the purpose of consolidated financial statements the holding company management has adopted the accounting policy in respect of actuarial gains or losses for its overseas defined benefit schemes to reflect the applicable accounting framework of the respective jurisdictions and consequently accounted it in the Reserves instead of in the Statement of Profit and Loss. Had the Company followed the practice of recognition of actuarial losses on the aforesaid defined benefit plans in the Statement of Profit and Loss as per Accounting Standard (AS 15) on Employee Benefits, the charge to employee benefits expenses would have been higher by Rs. 4215 Lakhs, the deferred tax credit would have been higher by Rs. 969 Lakhs, the consolidated profit before taxes and minority interest would have been lower by Rs. 4215 Lakhs and the profit after taxes after minority interest would have been lower by Rs. 2695 Lakhs.

### Other Matter

9. We did not audit the financial statements of (i) 39 subsidiaries and 7 jointly controlled entities included in the consolidated financial statements, which constitute total assets of Rs. 732027 Lakhs and net assets of Rs. 525656 Lakhs as at 31st March 2013, total revenue of Rs. 524698 Lakhs, net profit of Rs. 20926 Lakhs and net cash flows amounting to Rs. 37183 Lakhs for the year then ended; and (ii) 5 associate companies whose net loss of Rs. 2766 Lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

Mumbai, May 28 2013

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
Chartered Accountants

**Dibyendu Majumder**  
Partner  
Membership Number: 057687

## Financial Statements and Notes

## Consolidated Balance Sheet

as at 31st March 2013

	Note	2013	2012
Rs. in Lakhs			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	4	6183.99	6183.99
Reserves and Surplus	5	474827.89	450390.36
		<b>481011.88</b>	456574.35
<b>Minority Interest</b>		<b>81390.91</b>	106592.09
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	6	67270.41	73934.16
Deferred Tax Liabilities (net)	7	5395.90	6571.61
Other Long-Term Liabilities	8	9240.67	15577.13
Long-Term Provisions	9	20315.23	17398.52
		<b>102222.21</b>	113481.42
<b>Current Liabilities</b>			
Short-Term Borrowings	10	34412.94	14891.47
Trade Payables		80335.47	80522.12
Other Current Liabilities	11	69016.01	29457.61
Short-Term Provisions	12	30998.83	26362.68
		<b>214763.25</b>	151233.88
<b>TOTAL</b>		<b>879388.25</b>	827881.74
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	13		
Tangible Assets		60543.68	55169.83
Intangible Assets		382890.16	369193.84
Capital Work-in-Progress		9050.90	4867.89
Intangible Assets under Development		16.62	47.48
Non-current Investments	14	57602.55	47351.78
Long-Term Loans and Advances	15	8364.50	8826.62
Other Non-Current Assets	16	-	3332.08
		<b>518468.41</b>	488789.52
<b>Current Assets</b>			
Current Investments	17	190.64	9301.41
Inventories	18	138292.27	116073.14
Trade Receivables	19	71292.17	65181.28
Cash and Bank Balances	20	69770.36	73616.46
Short-Term Loans and Advances	21	79240.98	73208.14
Other Current Assets	22	2133.42	1711.79
		<b>360919.84</b>	339092.22
<b>TOTAL</b>		<b>879388.25</b>	827881.74

**Summary of Significant Accounting Policies**

3

The Notes are an integral part of the Consolidated Financial Statements

This is the Consolidated Balance Sheet referred to in our Report of even date.

For **Lovelock & Lewes**  
Firm Registration No. 301056E  
Chartered Accountants

**Cyrus P Mistry**  
Chairman

**U M Rao**  
**V Leeladhar**  
**Ranjana Kumar**  
Directors

**Ajoy Misra**  
**L Krishnakumar**  
Executive Directors

**Dibyendu Majumder**  
Partner  
Membership No. 057687

**R K Krishna Kumar**  
Vice-Chairman

**Harish Bhat**  
Managing Director

**V Madan**  
Vice-President and  
Secretary

Mumbai, May 28 2013

# Consolidated Statement of Profit and Loss

for the year ended 31st March 2013

Rs. in Lakhs

	Note	2013	2012
<b>INCOME</b>			
Revenue from Operations-Net	23	735097.76	664004.49
Other Income	24	8600.62	9451.70
<b>Total Revenue</b>		<b>743698.38</b>	673456.19
<b>EXPENSES</b>			
Cost of Material Consumed	25	336475.62	309282.25
Purchase of Stock in Trade	26	24377.03	29433.81
Change in Inventories of Finished Goods/Work-in-progress/ Stock-in-Trade	27	(4153.97)	(6581.98)
Employee Benefits Expense	28	74010.63	68133.38
Finance Costs	29	8444.48	7035.25
Depreciation and Amortisation Expense		10747.14	9840.34
Less : Amount drawn from Revaluation Reserve		(237.57)	(226.79)
Other Expenses	30	227539.48	201431.61
<b>Total Expenses</b>		<b>677202.84</b>	618347.87
<b>Profit before Exceptional Items and Taxes</b>		<b>66495.54</b>	55108.32
<b>Exceptional Items</b>	31	(2816.57)	2253.56
<b>Profit before Tax</b>		<b>63678.97</b>	57361.88
<b>Tax expenses</b>			
Current tax (Net of reversal of earlier years Rs. 921 Lakhs (Nil))		17715.18	14795.07
Deferred tax		(1308.10)	(624.10)
		<b>16407.08</b>	14170.97
<b>Profit after Taxation before Share of results of Associates and Minority Interest</b>		<b>47271.89</b>	43190.91
Share of net profit/(loss) in Associates		(2766.15)	(1511.48)
Minority Interest		(7230.73)	(6065.03)
<b>Profit for the year</b>		<b>37275.01</b>	35614.40
<b>Earnings Per Share</b>			
Equity share of par value Re. 1 each	37		
Basic and Diluted		6.03	5.76
Number of shares for computing Earning per share			
Basic and Diluted		618398570	618398570

The Notes are an integral part of the Consolidated Financial Statements

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

For **Lovelock & Lewes**  
Firm Registration No. 301056E  
Chartered Accountants

**Cyrus P Mistry**  
Chairman

**U M Rao**  
**V Leeladhar**  
**Ranjana Kumar**  
Directors

**Ajoy Misra**  
**L Krishnakumar**  
Executive Directors

**Dibyendu Majumder**  
Partner  
Membership No. 057687

**R K Krishna Kumar**  
Vice-Chairman

**Harish Bhat**  
Managing Director

**V Madan**  
Vice-President and  
Secretary

Mumbai, May 28 2013



## Financial Statements and Notes

# Consolidated Cash Flow Statement

for the year ended 31st March 2013

	Rs. in Lakhs	
	2013	2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	63678.97	57361.88
Adjusted for:		
Depreciation and amortisation (net of withdrawals from Revaluation Reserve)	10509.57	9613.55
Dividend Income	(1870.20)	(2143.03)
Profit on sale of Non Core investments (net)	(5233.75)	(13721.45)
Profit on sale of current investments (net)	(10.72)	(31.20)
Unrealised foreign exchange (gain)/loss	11.50	180.65
Finance Cost	8444.48	7035.25
Interest Income	(6622.56)	(6835.96)
Provision for doubtful debts and advances	218.27	213.70
Liabilities no longer required written back	(1388.13)	(987.58)
Provision for doubtful debts and advances no longer required written back	(79.99)	(329.24)
(Profit)/loss on sale/discard of fixed assets (net)	171.68	(350.91)
Exceptional Expense/(Income) (net)	8050.32	11467.89
	12200.47	4111.67
<b>Operating Profit before working capital changes</b>	<b>75879.44</b>	<b>61473.55</b>
Adjustments for:		
Trade and other receivables	(11783.13)	6541.21
Inventories	(21654.22)	(2643.72)
Trade payables	(3831.45)	(13500.07)
	<b>(37268.80)</b>	<b>(9602.58)</b>
<b>Cash generated from operations before Exceptionals</b>	<b>38610.64</b>	<b>51870.97</b>
Outflow on account of Exceptional Expenses	(5622.64)	(9396.90)
Direct taxes paid	(15699.98)	(14564.04)
	<b>(21322.62)</b>	<b>(23960.94)</b>
<b>Net Cash from Operating Activities</b>	<b>17288.02</b>	<b>27910.03</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(17928.39)	(13096.64)
Sale of fixed assets	676.25	1263.92
Purchase of Long-Term Investments	(11.94)	(80.00)
Sale/(Redemption) of Long-Term Investments	6827.27	24576.13
Additional Investments in Subsidiaries	(37488.53)	(22885.80)
Investments in Associates	(5055.19)	(5934.85)
(Purchase)/Sale of Current Investments (net)	387.96	(2032.69)
Dividend Income	1853.79	2143.03
Interest received	6525.21	7355.56
Redemption of Bank Deposits (net)	45533.51	33271.38
Inter Corporate Loans and Deposits (net)	283.06	(10309.51)
<b>Net cash from/(used in) Investing Activities</b>	<b>1603.00</b>	<b>14270.53</b>

Rs. in Lakhs

	2013	2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redemption of Debentures	(895.09)	(895.15)
Proceeds from long-term borrowings	24373.63	-
Repayment of long-term borrowings	-	(3305.89)
Proceeds from short-term borrowings (net)	4852.53	-
Working capital facilities (net)	15897.45	(15357.58)
Dividend paid	(15110.32)	(15221.01)
Dividend tax paid	(2450.07)	(1832.23)
Interest paid	(8071.45)	(7172.23)
<b>Net Cash used in Financing Activities</b>	<b>18596.68</b>	(43784.09)
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>37487.70</b>	(1603.53)
<b>D. CASH AND CASH EQUIVALENTS</b>		
Balances at the beginning of the year	27800.65	28078.73
Exchange Gain/(Loss) on translation of foreign currency cash/cash equivalents	794.96	1325.45
<b>Balances at the end of the year</b>	<b>66083.31</b>	27800.65
<b>Cash and Cash Equivalents comprises of:</b>		
Cash and Cash Equivalents	26307.97	5946.71
Short-Term Bank Deposits	39775.34	21853.94
<b>Balances at the end of the year</b>	<b>66083.31</b>	27800.65

**Notes:**

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS-3)' issued by Companies (Accounting Standards) Rules, 2006.
- Previous year's figures have been rearranged/regrouped wherever necessary.

This is the Cash Flow statement referred to in our Report of even date.

For **Lovelock & Lewes**  
Firm Registration No. 301056E  
Chartered Accountants

**Cyrus P Mistry**  
Chairman

**U M Rao**  
**V Leeladhar**  
**Ranjana Kumar**  
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Partner  
Membership No. 057687

**R K Krishna Kumar**  
Vice-Chairman

**Harish Bhat**  
Managing Director

**V Madan**  
Vice-President and  
Secretary

Mumbai, May 28 2013

# Notes to Consolidated Financial Statements

## 1. General Information

Tata Global Beverages Limited ("the Holding Company") and its subsidiaries, joint ventures and associates (together, "the Group") is a global beverages company engaged in the trading, production and distribution of Tea, Coffee and Water. The group has branded beverage business operations mainly in India, Europe, US, Canada and Australia, plantation business in India/Sri Lanka and extraction business mainly in India, US and China.

## 2. (a) Basis of Consolidation

The consolidated financial statements comprises of the financial statements of the Group. The consolidated financial statements are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements", Accounting Standard 23 on "Accounting for Associates in Consolidated Financial Statements" and Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures" notified under section 211(3C) of the Companies Act, 1956.

The consolidated financial statements are prepared on the following basis:

### (i) Investment in Subsidiaries

- The financial statements of the Holding Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealised profits or losses thereon have been fully eliminated.
- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Holding Company.
- The value of the consideration given over/below the net value of the identifiable assets acquired in the subsidiary companies are recognised as goodwill/capital reserve. Goodwill on consolidation disclosed under fixed assets is not amortised but is, however, tested for impairment.

### (ii) Investment in Associates

- Investments in associates have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for post acquisition change in the Holding Company's share of net assets. On acquisition of an associate, the goodwill/capital reserve from such acquisition is included in the carrying value of the investment and also disclosed separately.

### (iii) Investment in Joint Ventures

- Joint Venture of Holding Company as well as subsidiaries have been accounted in the consolidated financial statements using the proportionate consolidation method whereby a venturer's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is accounted for on a pro-rata basis.

b) i) The subsidiaries, joint ventures and associates considered in the consolidated financial statements are:

Name of the Companies	Country of Incorporation	Voting power held	Effective voting power held by the Holding Company	Voting power held	Effective voting power held by the Holding Company
		(%)	(%)	(%)	(%)
		2013		2012	
<b>A) SUBSIDIARIES</b>					
<b>Tata Global Beverages Group Ltd.</b> [58.59% (52.98%) through subsidiaries]	UK	<b>88.65</b>	<b>88.65</b>	83.04	83.04
<b>Subsidiaries of Tata Global Beverages Group Ltd.</b>					
Tata Global Beverages Holdings Ltd.	UK	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Tata Global Beverages Services Ltd.	UK	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Tata Global Beverages GB Ltd.	UK	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Tata Global Beverages Overseas Holdings Ltd.	UK	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Tata Global Beverages Overseas Ltd.	UK	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Lyons Tetley Ltd.	UK	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Drassington Ltd.	UK	<b>100.00</b>	<b>88.65</b>	95.00	78.89
Teapigs Ltd.	UK	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Stansand Ltd.	UK	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Stansand (Brokers) Ltd.	UK	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Stansand (Africa) Ltd.	Kenya	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Stansand (Central Africa) Ltd.	Malawi	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Joekels Tea Packers (Proprietary) Ltd.	South Africa	<b>51.00</b>	<b>45.21</b>	51.00	42.35
Tata Global Beverages Polska sp.zo.o	Poland	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Tata Global Beverages Czech Republic a.s.	Czech Republic	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Tata Global Beverages US Holdings Inc.	USA	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Tetley USA Inc.	USA	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Good Earth Corporation	USA	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Good Earth Teas Inc.	USA	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Tata Global Beverages Canada Inc.	Canada	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Tata Global Beverages Australia Pty Ltd.	Australia	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Tata Global Beverages Investments Ltd.	UK	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Campestres Holdings Ltd.	Cyprus	<b>100.00</b>	<b>88.65</b>	100.00	83.04
Kahutara Holdings Ltd.	Cyprus	<b>65.00</b>	<b>57.62</b>	65.00	53.98
Suntycy Holding Ltd.	Cyprus	<b>100.00</b>	<b>57.62</b>	51.00	27.53
Onomento Co. Ltd.	Cyprus	<b>100.00</b>	<b>57.62</b>	100.00	27.53
OOO Tea Trade LLC	Russia	<b>100.00</b>	<b>57.62</b>	100.00	27.53
OOO Sunty LLC	Russia	<b>100.00</b>	<b>57.62</b>	100.00	27.53
<b>Joint ventures of Tata Global Beverages Group Ltd.</b>					
Empirical Group LLC	USA	<b>56.00</b>	<b>49.64</b>	56.00	46.50
Southern Tea LLC	USA	<b>50.00</b>	<b>44.33</b>	50.00	41.52
Tetley ACI (Bangladesh) Ltd.	Bangladesh	<b>50.00</b>	<b>44.33</b>	50.00	41.52
Tetley Clover (Pvt.) Ltd.	Pakistan	<b>50.00</b>	<b>44.33</b>	50.00	41.52
<b>Associates of Tata Global Beverages Group Ltd.</b>					
The Rising Beverages Company LLC (Refer Note (ii) below)	USA	<b>2.28</b>	<b>2.02</b>	44.26	36.75

# Notes to Consolidated Financial Statement

continued

Name of the Companies	Country of Incorporation	Voting power held	Effective voting power held by the Holding Company	Voting power held	Effective voting power held by the Holding Company
		(%)	(%)	(%)	(%)
		2013		2012	
Bjets Pte. Ltd. (w.e.f. 30th January 2012) (Refer Note (iii) below)	Singapore	49.31	43.71	-	-
<b>Tata Global Beverages Capital Ltd.</b>	UK	100.00	100.00	100.00	100.00
<b>Tata Coffee Ltd.</b>	India	57.48	57.48	57.48	57.48
<b>Subsidiaries of Tata Coffee Ltd.</b>					
Alliance Coffee Ltd.	India	100.00	57.48	100.00	57.48
Consolidated Coffee Inc.	USA	100.00	78.70	100.00	78.70
<b>Subsidiary of Consolidated Coffee Inc.</b>					
Eight O'Clock Holdings Inc.	USA	100.00	78.70	-	-
Eight O'Clock Coffee Inc.	USA	100.00	78.70	100.00	78.70
<b>Associates of Consolidated Coffee Inc.</b>					
The Rising Beverages Company LLC (Refer Note (ii) below)	USA	47.30	37.23	-	-
<b>Joint Venture of Tata Coffee Ltd.</b>					
Tata Coffee (Uganda) Ltd. (Dissolved on 21st December 2012)	Uganda	-	-	50.00	28.74
<b>Tata Tea Extractions Inc.</b>	USA	100.00	100.00	100.00	100.00
<b>Zhejiang Tata Tea Extraction Company Ltd.</b>	China	70.00	70.00	70.00	70.00
<b>Tata Tea Holdings Private Ltd.</b>	India	100.00	100.00	100.00	100.00
<b>Mount Everest Mineral Water Ltd.</b>	India	50.07	50.07	45.09	45.09
<b>B) ASSOCIATES</b>					
Amalgamated Plantations Pvt. Ltd.	India	49.66	49.66	49.07	49.07
Estate Management Services Pvt. Ltd.	Sri Lanka	49.00	49.00	49.00	49.00
Kanan Devan Hills Plantation Co. Pvt. Ltd. (w.e.f. 30th October 2012)	India	28.52	28.52	-	-
<b>C) JOINT VENTURES</b>					
NourishCo Beverages Ltd.	India	50.00	50.00	50.00	50.00
Tata Starbucks Ltd.	India	50.00	50.00	50.00	50.00

- ii) During the year, one of the Holding Company's overseas subsidiary based in UK has transferred a part of its stake in The Rising Beverage LLC, USA to Consolidated Coffee Inc., USA. The transfer of stake has been undertaken for achieving structural alignment. The overall holding for the Group is 49.58%.
- iii) An overseas subsidiary had acquired 49.31% stake in Bjets Pte Ltd., a Singapore-based company engaged in the business of owning and operating chartered aircrafts, with a view of subsequent disposal of the said investment in the near future. Hence the investments was classified as a current investment and not consolidated as an associate in the prior year. As the investment has not yet been disposed, the same has been categorised as long-term investments and accounted as an associate in compliance with the relevant accounting standard.
- iv) European Bank of Reconstruction and Development (EBRD) has entered into a put option agreement with Campestres Holdings Ltd. (CHL) and Tata Global Beverages Investments Ltd. (TGBIL), overseas subsidiaries of the holding company, in relation to their investment in Kahutara Holdings Ltd. In terms of the said agreement, EBRD has the right to exercise a put option whereby CHL and TGBIL are obliged to

purchase the shares held by EBRD at fair market value after 6 years from the subscription date. Conversely, CHL has the right to exercise a call option on all the shares held by EBRD at the end of the stipulated 8 years at fair market value. The stipulated time period of 8 years may be brought forward if certain events as per the agreement are triggered.

- v) The Holding Company has entered into a put option agreement with International Finance Corporation (IFC) in relation to their investment in Amalgamated Plantations Private Limited (APPL). In terms of the said agreement, IFC has the right to exercise a put option whereby the Holding Company is obliged to purchase a maximum of 300 Lakh shares in APPL, if certain conditions or events stipulated in the said agreement do not occur.
- vi) During the year, Kahutara Holdings Limited a 65% subsidiary of the Holding Company's overseas subsidiary has increased its shareholding in Suntyco Holding Limited (the Holding Company for Russian beverage business) from 51% to 100% pursuant to an exercise of a call option.
- vii) The Holding Company has acquired additional 10.59% stake in Kanan Devan Hills Plantations Company Private Ltd. (KDHP) during the year resulting in shareholding of 28.52%. Accordingly, KDHP has been accounted as an associate in the financial statement.

### 3. Significant Accounting Policies

#### a) Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention.

The presentation of the financial statements is broadly based on the format used by the Holding Company, which has presented its accounts based on the Schedule VI of the Companies Act, 1956. All assets and liabilities are classified into current and non current generally based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

#### b) Fixed Assets and Depreciation

##### i) Tangible

Tangible Assets are carried at cost of acquisition less accumulated depreciation. Impairment loss, if any, ascertained as per the Accounting Standard-28 (Impairment of Assets) is recognised. The cost of extension planting of cultivable land including cost of development is capitalised.

Assets acquired on hire purchase, for which ownership will vest at a future date, are capitalised at cash cost.

Depreciation on tangible assets, including assets created on lands under lease is provided under straight-line method over the remaining useful life of the asset except for certain assets amounting to Rs. 12405.41 Lakhs (Rs. 11955.01 Lakhs) (Gross Block) of an Indian subsidiary, in respect of which depreciation is provided under written down value method (accumulated depreciation Rs 4817.50 Lakhs (Rs. 4660.03 Lakhs)). In one of the subsidiary, the assets having value lower than Rs. 0.40 Lakhs are provided at 100% depreciation once they are put to use. The premium paid for leasehold land is amortised over the lease period except for perpetual lease where renewal is assumed consistent with past practice. Leasehold buildings are depreciated over the remaining term of the lease.

Subsidies receivable from government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue.

##### ii) Intangible

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any.

Expenditure on software and related implementation costs are capitalised, where it is expected to provide enduring economic benefits and are amortised on a straight line basis over its estimated useful life and generally does not exceed 10 years.

Product development costs incurred on new products are recognised as Intangible Assets and are amortised over a period of 10 years.

Non-compete fees paid by the Holding Company in connection with business acquisition is being amortised on a straight line basis over a period of 10 years.

Other Intangible assets are amortised over their estimated useful life on a straight line basis except in case of brands acquired by an overseas subsidiary which have not been amortised as the directors of that subsidiary have concluded that the brands have an indefinite useful life, on account of the strength of the brands acquired and their market positions and is annually tested for impairment.



# Notes to Consolidated Financial Statements

continued

**c) Impairment**

At each balance sheet date, the management reviews the carrying amounts of each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Cash flows used to determine value in use are derived from the annual budgets and strategic plans of the cash generating units. For certain cash generating units, variable growth has been considered even beyond five years, given the maturity of the business and scope for geographical expansion. Reversal of impairment loss is recognised as income in the statement of profit and loss.

**d) Leases**

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially assumed all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straightline basis.

**e) Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised and other costs are charged to the statement of profit and loss. Borrowing costs include amortisation of issue/ancillary costs relating to borrowings and in the case of relevant overseas subsidiaries such costs relating to borrowings are being amortised at a constant rate on the carrying amount over the expected term of the borrowing. The costs incurred for obtaining finance are deferred and amortised using the effective interest method over the life of the related financing agreements and charged to interest expenses in one of the overseas subsidiary.

**f) Investments**

Investments of a long-term nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost or market value.

**g) Inventories**

Inventories are stated at cost or net realisable value whichever is lower except for an Indian subsidiary, where stores and spare parts and raw materials are valued at cost and another Indian subsidiary where packing material, stores and spare parts and raw materials are valued at cost. In an overseas associate produced stock are valued at cost.

Cost is determined on weighted-average/FIFO method for all categories of inventories other than for auction bought teas in which case cost is considered as actual cost for each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and includes, where applicable, appropriate overheads based on the normal level of activity. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

**h) Foreign Currency Transactions/Translation**

Transactions in foreign currency are recorded at average weekly/ fortnightly spot rates or the exchange rate applicable on the transaction date. Exchange differences resulting from settled transactions are adjusted in the statement of profit and loss. Year end balances of monetary items are restated at the year end exchange rates and the resultant net gain or loss is recognised in the statement of profit and loss. In one of the Indian subsidiary current assets and liabilities covered by forward cover are stated at forward cover rates and resulting exchange differences adjusted in the statement of profit and loss.

Premium or discount on forward contracts where there are underlying assets/liabilities are amortised over the life of the contract. Such foreign exchange forward contracts are revalued at the balance sheet date and the exchange differences between the spot rate at the date of the contract and the spot rate on the balance sheet date is recognised as gain/loss in the statement of profit and loss.

The income and expenditure of non-integral overseas subsidiaries/joint ventures are translated at the average of month end exchange rates. Year end balances of all assets and liabilities are restated at the year end exchange rates. Exchange differences arising on retranslation at year end exchange rates, of the net investment in foreign undertakings, are taken to reserves.

**i) Revenue Recognition**

- I. Sales are recognised when risks, rewards and title have been transferred to the customer, which is typically upon delivery as per terms of sale or on completion of auction in case of auction sale. Provision for sales returns and other allowances relating to that year's sale are recorded as an offset from sales. In case of overseas subsidiaries provision for sales return and other allowances are recorded based on past experiences.
- II. Fees and income from services are accounted as per terms of relevant arrangements.
- III. Export incentives are accounted on an accrual basis.

**j) Other Income**

Interest income and income from investments etc. are accounted on accrual basis.  
Dividend income is recognised when the right to receive dividend is established.

**k) Replanting/Rejuvenation**

Cost of replanting/rejuvenating tea/coffee bushes/fuel trees is charged to revenue.  
Related Tea/Coffee Board subsidies are accrued as other income on obtaining approval from Tea/Coffee Board.

**l) Compensation of Land**

Compensation, if any, in respect of land surrendered/vested in Governments under various State Land Legislations in India is accounted for as and when received.

**m) Employee Benefits**

- i) Post retirement employee benefits: Contribution to post retirement benefits like Provident Fund (PF), Defined Contribution Superannuation Schemes and other defined contribution schemes are accounted for on accrual basis by the Group. With regard to PF contribution made by the holding company to a Self Administered Trust, holding company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contribution and shortfall, if any, as an expense in the year incurred.  
  
Post retirement defined benefits including gratuity, superannuation and medical benefits for qualifying executives/wholetime directors as provided by the Company are determined through independent actuarial valuation at year end and charge recognised in the books. For schemes, where recognised funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognised in the statement of profit and loss.  
  
The Group recognises in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.
- ii) Other Employee Benefits: Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the statement of profit and loss for the holding company and its Indian subsidiaries. Short-Term Employee Benefits are recognised on an undiscounted basis whereas Long-Term Employee Benefits are recognised on a discounted basis.
- iii) With regard to overseas subsidiaries and associates, liabilities for retirement benefits are determined as per the regulations and principles followed in the respective countries. Defined benefit obligation of overseas subsidiaries accounted for in the reserves in its financial statements, in compliance with the local generally accepted accounting principles, are recognised in Group's Reserve and Surplus (Refer Note 41(d)).
- iv) Other Employee Termination Benefits: Payments to employees who have opted for Employee Separation Schemes (ESS) along with additional liabilities towards retirement benefits arising pursuant to the ESS are charged to the statement of profit and loss in the year in which it is incurred.

**n) Research and Development**

Research and Development expenditure of revenue nature is charged to revenue and capital expenditure is treated as fixed assets.

# Notes to Consolidated Financial Statements

continued

## o) Taxes on Income

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Group operates.

Provision for deferred taxation is made using the balance sheet method, on all timing differences to the extent that it is probable that a liability or asset will crystallise. As at the balance sheet date, unless there is evidence to the contrary of management's expectation of future profits for set off, deferred tax assets pertaining to business loss are recognised.

## p) Financial Instruments

Foreign currency forward contracts, interest rate swap and options relating to commodities and foreign currencies are used to hedge associated risk relating to certain firm commitments and forecasted transactions. The Group designates these hedging instruments as cash flow hedges.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Gain or loss on account of change in the fair value of hedging instrument in respect of effective portion of the cash flow hedges are recognised in the hedging reserve account. On occurrence of the underlying transactions the accumulated balance is transferred from hedging reserve and recognised in the statement of profit and loss. The portion of the gain or loss on the hedging instruments if determined to be an ineffective cash flow hedge is recognised in the statement of profit and loss. Fair value hedges are marked to market on the balance sheet date and gain or loss recognised in the statement of profit and loss.

## q) Cash and Cash Equivalent

Cash and Cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

## r) Provision

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

## s) Contingent Liabilities

Contingent liabilities exist and are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of Company, unless the possibility of an outflow is remote. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required or a reliable estimate of the amount cannot be made is termed as contingent liability.

	Rs. in Lakhs	
	2013	2012
<b>4. SHARE CAPITAL</b>		
<b>Authorised</b>		
75,00,00,000 (75,00,00,000) Equity Shares of Re. 1 each	7500.00	7500.00
<b>Issued, Subscribed and Paid-Up</b>		
61,83,98,570 (61,83,98,570) Equity Shares of Re. 1 each, fully paid-up	6183.99	6183.99
	6183.99	6183.99

Rs. in Lakhs

	2013	2012
<b>5. RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>	<b>8.67</b>	8.67
<b>Capital Subsidy Reserve</b>		
Opening Balance	30.10	30.10
Less: Amount transferred to Surplus	(30.10)	-
<b>Closing Balance</b>	<b>-</b>	30.10
<b>Capital Redemption Reserve</b>	<b>10.41</b>	10.41
<b>Securities Premium Account</b>	<b>60112.96</b>	60112.96
<b>Debenture Redemption Reserve</b>		
Opening Balance	9482.44	10543.43
Less: Amount transferred to Surplus	(1357.44)	(1060.99)
<b>Closing Balance</b>	<b>8125.00</b>	9482.44
<b>Revaluation Reserve</b>		
Opening Balance	4241.55	4468.34
Add: Other Adjustments	375.91	-
Less: Amount transferred to Statement of Profit and Loss	(237.57)	(226.79)
<b>Closing Balance</b>	<b>4379.89</b>	4241.55
<b>Contingency Reserve</b>	<b>100.00</b>	100.00
<b>Amalgamation Reserves</b>	<b>832.53</b>	832.53
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	12086.74	(34424.63)
Add: Addition during the year (net)	3089.72	46511.37
<b>Closing Balance</b>	<b>15176.46</b>	12086.74
<b>Hedging Reserve</b>		
Opening Balance	(1150.39)	(2167.13)
Add: Addition during the year (net)	2382.82	1016.74
<b>Closing Balance</b>	<b>1232.43</b>	(1150.39)
<b>Actuarial Gain/(Loss) Reserve</b>		
Opening Balance	(7071.71)	-
Add: Addition during the year	(2695.23)	(7071.71)
<b>Closing Balance</b>	<b>(9766.94)</b>	(7071.71)
<b>General Reserves</b>		
Opening Balance	91824.23	87725.03
Add: Transferred from Surplus	3732.69	3392.45
Add: Other Adjustments	30.10	706.75
<b>Closing Balance</b>	<b>95587.02</b>	91824.23
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	279882.83	262298.54
Add: Profit for the year	37275.01	35614.40
Add: Transfer from Debenture Redemption Reserve	1357.44	1060.99
<b>Amount available for appropriation</b>	<b>318515.28</b>	298973.93
<b>Less: Appropriation</b>		
Proposed Dividend	(13295.57)	(13295.57)
Provision for Dividend Distribution Tax	(2457.56)	(2403.08)
Transfer to General Reserve	(3732.69)	(3392.45)
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>299029.46</b>	279882.83
<b>Total Reserve and Surplus</b>	<b>474827.89</b>	450390.36

## Financial Statements and Notes

## Notes to Consolidated Financial Statements

continued

	Rs. in Lakhs	
	2013	2012
<b>6. LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Debentures</b>		
<b>3250, 3% Non-convertible, privately placed, Debentures of Rs. 10 Lakhs each. (Refer Note a)</b>	<b>32500.00</b>	32500.00
Less: Maturing within the next 12 months	<b>(32500.00)</b>	-
		32500.00
<b>7% Secured Redeemable Non-Convertible Debentures (Refer Note b)</b>	-	895.14
Less: Maturing within the next 12 months	-	(895.14)
		-
<b>Loan from Banks</b>		
<b>Term Loan (Refer Note c)</b>	<b>2157.63</b>	3533.55
Less: Maturing within the next 12 months	<b>(616.47)</b>	(773.93)
	<b>1541.16</b>	2759.62
<b>External Commercial Borrowing (Refer Note d)</b>	<b>5430.00</b>	2416.80
Less: Maturing within the next 12 months	<b>(1018.13)</b>	-
	<b>4411.87</b>	2416.80
<b>Senior Debt (Refer Note e)</b>	<b>64374.25</b>	37320.10
Less: Maturing within the next 12 months	<b>(3056.87)</b>	(1065.19)
	<b>61317.38</b>	36254.91
<b>From Others</b>		
<b>Obligation under Finance Lease (Refer Note f)</b>	<b>2.83</b>	34.52
Less: Maturing within the next 12 months	<b>(2.83)</b>	(31.69)
		2.83
<b>Total Long-Term Borrowings</b>	<b>67270.41</b>	73934.16
Total Long-Term Borrowings (Gross)	<b>104464.71</b>	76700.11
Less: Total Maturing within the next 12 months	<b>(37194.30)</b>	(2765.95)
	<b>67270.41</b>	73934.16

- a. Redeemable at premium of Rs.195247 per debenture on 4.11.2013, at the end of 3 years from the date of allotment 4.11.2010. Series 1 - 3000 debentures aggregating to Rs. 30000 Lakhs are secured by way of a first mortgage on certain immovable properties of the holding company and first ranking exclusive charge on Bank Deposit of Rs. 3000 Lakhs. Series 2 - 250 debentures aggregating to Rs. 2500 Lakhs are secured by way of a first mortgage on certain immovable properties of the holding company and pledge of shares of certain companies held as investments.
- b. 7% Non-Convertible Debentures were redeemable at par in three equal installments at the end of 4th, 5th and 6th years from the date of allotment i.e. 29.12.2006. Accordingly, all the three instalments have been redeemed. Debentures were secured by a charge on certain immovable property of an Indian subsidiary.
- c. Borrowing amounting to **Rs. 2157.63 Lakhs** (Rs. 2567.02 Lakhs) is secured by way of mortgage of certain immovable and movable properties of an overseas subsidiary, repayable in quarterly installments, last installment due in September 2016 and **Nil** (Rs. 966.53 Lakhs) is secured by way of mortgage of certain immovable property of an overseas subsidiary repaid during the current year.
- d. The borrowing is secured by deposit of title deeds of a immovable property and a charge over the machinery of the expansion project of an Indian subsidiary. The Loan is repayable in sixteen equal quarterly installments commencing from 11.08.2013.
- e. Debt amounting to **Rs. 54301.50 Lakhs** (Rs. 31986.04 Lakhs) represents loan refinanced during the year and is due at maturity on 28.03.2018 and is secured over assets of certain overseas subsidiaries. Debt amounting to **Rs. 10072.75 Lakhs** (Rs. 5534.06 Lakhs) is repayable within 6 years from date of its origination and is secured by way of pledge of shares and guarantee given by the holding company.
- f. Secured against fixed assets obtained under related finance arrangement.

Rs. in Lakhs

	2013	2012
<b>7. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liability</b>		
Depreciation	15921.99	13772.51
Others	-	363.21
	<b>15921.99</b>	14135.72
<b>Deferred Tax Asset</b>		
Provision for Doubtful Debts/Advances	380.11	357.71
Employee Benefits	3644.06	2803.96
Others	6488.59	4361.90
Carry forward agricultural income-tax loss *	13.33	40.54
	<b>10526.09</b>	7564.11
<b>Net Deferred Tax Liabilities</b>	<b>5395.90</b>	6571.61
* To the extent of offsetting deferred tax liabilities		
<b>8. OTHER LONG-TERM LIABILITIES</b>		
Premium payable on Redemption of Debentures	-	6345.53
Deposits	168.20	149.02
Others	9072.47	9082.58
	<b>9240.67</b>	15577.13
<b>9. LONG-TERM PROVISION</b>		
Employee Benefits	20315.23	15593.97
Future payment under Contractual Obligation (Refer Note 35)	-	1804.55
	<b>20315.23</b>	17398.52
<b>10. SHORT-TERM BORROWINGS</b>		
<b>From Banks</b>		
<b>Secured</b>		
Working Capital Facilities (Refer below)	22372.94	14891.47
<b>Unsecured</b>		
Working Capital Facilities	12040.00	-
	<b>34412.94</b>	14891.47
Secured by way of hypothecation of inventories, crop, book debts and movable assets, other than plant and machinery and furniture, of the holding company. For an Indian subsidiary, working capital facility is secured by hypothecation of coffee crop, stocks and receivables, whilst a part of the cash credit funding is also secured by deposit of title deeds of a coffee estate. For an overseas subsidiaries working capital facilities are secured by specific security over certain assets of overseas subsidiaries.		
<b>11. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Borrowings (Refer Note 6)	37191.47	2734.25
Security Deposits from Customers	4727.40	3276.75
Unpaid Dividends	666.65	563.55
Interest Accrued but not due	521.33	528.23
Finance Lease Obligations (Refer Note 6)	2.83	31.69
Premium payable on Redemption of Debentures	6345.53	-
Other Payables	19560.80	22323.14
	<b>69016.01</b>	29457.61



## Financial Statements and Notes

# Notes to Consolidated Financial Statements

continued

	Rs. in Lakhs	
	2013	2012
<b>12. SHORT-TERM PROVISION</b>		
Employee Benefits	4337.07	3794.12
Taxation less advance payment	7654.53	5497.07
Proposed Dividend	13,295.57	13295.57
Tax on Dividend	2497.65	2490.16
Future payment under Contractual Obligation (Refer Note 35)	-	129.93
Other Provisions	3214.01	1155.83
	<b>30998.83</b>	<b>26362.68</b>

	Rs. in Lakhs											
	Cost				Depreciation/Amortisation				Net Book Value			
	As at 1.4.2012	Additions	Deductions/ Adjustment	Translation Exchange difference	As at 31.3.2013	As at 1.4.2012	Depreciation/ Amortisation for the year	Deductions/ Adjustment	Translation Exchange difference	As at 31.3.2013	As at 31.3.2013	As at 31.3.2012
<b>TANGIBLE</b>												
Land (including Development)	6414.84	-	-	93.53	6508.37 *	98.66	22.17	-	9.35	130.18	6378.19	6316.18
Tea/Coffee Estate Land/ Fuel												
Area (including Development)	755.60	-	-	-	755.60	-	-	-	-	-	755.60	755.60
Buildings	18788.52	479.78	764.47	314.16	20346.93	5994.07	685.46	283.96	70.56	7034.05	13312.88	12794.45
Bridges	16.43	-	-	-	16.43	2.44	-	-	-	2.44	13.99	13.99
Plant and Machinery	100076.82	9035.55	(3881.55)	1281.12	106511.94	71312.02	5853.47	(3076.07)	830.35	74919.77	31592.17	28764.80
Furniture and Fixtures	15644.77	3869.15	(1346.38)	176.63	18344.17	10437.14	1751.71	(984.46)	89.63	11294.02	7050.15	5207.63
Office Equipment	357.68	28.93	196.38	3.48	586.47	156.58	73.02	137.74	3.46	370.80	215.67	201.10
Motor Vehicles	2408.85	715.87	(639.68)	23.22	2508.26	1292.77	317.58	(341.94)	14.82	1283.23	1225.03	1116.08
<b>Total Tangibles</b>	144463.51	14129.28	(4906.76)	1892.14	155578.17	89293.68	8703.41	(3980.77)	1018.17	95034.49	60543.68	55169.83
Previous Year	130236.96	8592.99	(4079.60)	9713.16	144463.51	77054.25	8197.79	(3050.27)	7091.91	89293.68	55169.83	
<b>INTANGIBLE</b>												
Goodwill on Consolidation	350260.95	5788.23	-	8045.51	364094.69	3388.33	678.73 \$	-	215.69	4282.75	359811.94	346872.62
Intangibles ^	26230.12	-	-	1360.82	27590.94 #	4656.15	1063.03	-	293.75	6012.93 @	21578.01	21573.97
Capitalised Software	2140.13	1051.47	-	51.18	3242.78	1547.88	271.97	-	47.72	1867.57	1375.21	592.25
Non Compete Fee	300.00	-	-	-	300.00	145.00	30.00	-	-	175.00	125.00	155.00
<b>Total Intangibles</b>	378931.20	6839.70	-	9457.51	395228.41	9737.36	2043.73	-	557.16	12338.25	382890.16	369193.84
Previous Year	329823.38	6725.91	-	42381.91	378931.20	7118.37	1642.55	3.43	973.01	9737.36	369193.84	
<b>Total</b>	523394.71	20968.98	(4906.76)	11349.65	550806.58	99031.04	10747.14	(3980.77)	1575.33	107372.74	443433.84	424363.67
Previous Year	460060.34	15318.90	(4079.60)	52095.07	523394.71	84172.62	9840.34	(3046.84)	8064.92	99031.04	424363.67	

**Notes:**

- (\*) Includes leasehold land of **Rs. 202.40 Lakhs** (Rs. 202.40 Lakhs) belonging to two Indian subsidiaries.
- Cost of Buildings include **Rs. 589.84 Lakhs** (Rs. 589.84 Lakhs) represented by shares in Co-operative Housing Societies/a Company.
- Goodwill addition (net) is on account of increase of shareholding by the Group in Tata Global Beverages Group Ltd., Suntco Holdings Ltd. and Mount Everest Mineral Water Ltd.
- (S) Represents amortisation of certain intangible assets included as goodwill under India GAAP by an overseas subsidiary.
- (@) Unexpired period of amortisation for certain intangibles is 220 months and 108 months.
- (^) Includes Trademark, Brands and Patents/Knowhow.
- (#) Includes Brands having indefinite useful life (Refer Note 3 (b) (iii)) **Rs. 3940 Lakhs** (Rs. 3912 Lakhs).
- Plant and Machinery includes assets taken on finance lease - Gross Block : **Rs. 60.81 Lakhs** (Rs. 60.81 Lakhs); WDV - **Rs. 50.41 Lakhs** (Rs. 56.33 Lakhs).
- Exchange differences arising due to restatement of fixed assets in overseas subsidiaries, as at year end, have been transferred to Foreign Currency Translation Reserve.

Rs. in Lakhs

	Face Value of each	Nos.	2013	2012
<b>14. NON-CURRENT INVESTMENTS</b>				
<b>TRADE INVESTMENT (fully paid and valued at cost)</b>				
<b>(a) Quoted Equity Investments</b>				
Tata Chemicals Ltd. (Refer Note (a))	Rs. 10	11345522	5457.01	5457.01
The Indian Hotels Co. Ltd.	Re. 1	1687742	271.99	271.99
Tata Motors Ltd.	Rs. 2	116665	46.84	46.84
Tata Motors Ltd - 'A' Ordinary Shares	Rs. 2	16665	10.17	10.17
Tata Investment Corporation Ltd.	Rs. 10	160000	236.19	236.19
Tata Steel Ltd.	Rs. 10	12021	17.02	17.02
Titan Industries Ltd.	Re. 1	9248060	295.24	295.24
Tata Consultancy Services Ltd.	Re. 1	-	-	1.21
		(391200)		
Joonkotle Tea & Industries Ltd.	Rs. 10	12602	6.63	6.42
		(11524)		
			<b>6341.09</b>	6342.09
<b>(b) Unquoted Equity Investments</b>				
<b>Investment in Associates</b>				
Amalgamated Plantations Pvt. Ltd.	Rs. 10	25010000 (24410000)	2501.00	2441.00
Estate Management Services Pvt. Ltd.	LKR 10	15346800	1106.21	1106.21
Kanan Devan Hills Plantations Company Pvt. Ltd. (Refer note 2(b)(vii))	Rs. 10	3976563	1233.19	-
The Rising Beverages Company LLC. - Class A shares	US\$	503.649 (374.977)	12334.04	8897.03
BJETS Pte Ltd. (Refer Note 2(b)(iii))	US\$ 1	21584823	7283.29	-
			<b>24457.73</b>	12444.24
<b>Others</b>				
Tata Sons Ltd.	Rs. 1000	1755	975.00	975.00
Tata Capital Ltd.	Rs. 10	613598 (553889)	95.02	83.08
Tata Services Ltd.	Rs. 1000	475	4.77	4.77
Tata Industries Ltd.	Rs. 100	6519441	11582.32	11582.32
Taj Air Ltd.	Rs. 10	22200000	2577.40	2561.02
Kanan Devan Hills Plantations Company Pvt. Ltd. (Refer Note 2(b)(vii))	Rs. 10	- (2500000)	-	250.00
Chembra Peak Estates Ltd.	Rs. 10	3481	0.41	0.41
Wartyhully Estates Ltd.	Rs. 10	24748	0.93	0.93
The Cochin Malabar Estates & Industries Ltd.	Rs. 10	- (2156)	-	0.20
			<b>15235.85</b>	15457.73
<b>(c) Unquoted Preference Shares</b>				
<b>Investment in Associates</b>				
Amalgamated Plantations Pvt. Ltd. 0.01% Non Cumulative Redeemable Preference Shares (Redeemable with special redemption premium within 7-9 years from issue date)	Rs. 10	67000000	6700.00	6700.00
			<b>6700.00</b>	6700.00

## Financial Statements and Notes

# Notes to Consolidated Financial Statements

continued

	Face Value of each	Nos.	Rs. in Lakhs	
			2013	2012
<b>(d) Unquoted Debentures/Bonds</b>				
Investment in Associates				
The Rising Beverages Company LLC. - Convertible Loan Notes #			4072.63	2543.50
# Convertible at the option of the shareholders.				
			4072.63	2543.50
<b>OTHER INVESTMENTS (fully paid and valued at cost)</b>				
<b>(a) Quoted Equity Investments</b>				
SBI Home Finance Ltd. (Refer Note (c))	Rs. 10	100000	-	-
Industrial Development Bank of India	Rs. 10	16160	13.13	13.13
			13.13	13.13
<b>(b) Unquoted Equity Investments</b>				
The Annamallais Ropeways Company Ltd. - Ordinary Shares (Refer Note (c))	Rs. 100	2092	-	-
ABC Tea Workers Welfare Services - Ordinary Shares	Rs. 10	20000	2.00	2.00
Assam Hospitals Ltd.	Rs. 10	200000	20.00	20.00
The Valparai Co-operative Wholesale Stores Ltd. - Ordinary Shares (Refer Note (c))	Rs. 10	350	-	-
Suryakiran Apartment Services Private Ltd	Rs. 10	2146	0.21	0.21
Jalpaiguri Club Ltd- Ordinary Shares (Cost Re 1)	Rs. 10	60	-	-
GNRC Ltd.	Rs. 10	50000	5.00	5.00
IFCI Venture Capital Funds Ltd.	Rs. 10	250000	25.00	25.00
Ritspin Synthetics Ltd (Refer Note (c))	Rs. 10	100000	-	-
Coorg Orange Growers Co-operative Society Ltd.	Rs. 100	4	-	-
Tata Coffee Co-operative Stores Limited	Rs. 5	20	-	-
Coorg Cardamom Co-operative Marketing Society Ltd.	Rs. 100	1	-	-
Southern Scribe Instruments Pvt. Ltd.	Rs. 100	7280	7.28	7.28
TEASERVE	Rs. 5000	1	0.05	0.05
(The Tamil Nadu Tea Manufacturers' Service Industrial Co-op. Society Ltd.)				
			59.54	59.54
<b>(c) Unquoted Preference Shares</b>				
Thakurbari Club Ltd. (Cost Re 1)	Rs. 100	26	-	-
			-	-
<b>(d) Unquoted Government Securities:</b>				
W.B. Estates Acquisition Compensation Bond			0.08	0.08
			0.08	0.08
<b>(e) Unquoted Debentures</b>				
The Bengal Chamber of Commerce & Industry - 6 1/2% Debentures	Rs. 1000	7	0.07	0.07
Woodlands Hospital & Medical Res. Centre Ltd. - 5% Debenture Stock	Rs. 95000	1	0.44	0.44
Woodlands Hospital & Medical Res. Centre Ltd. - 1/2% Debentures (Cost Rs. 3)	Rs. 100	278	-	-
Shillong Club Ltd. - 5% Debentures - (Cost Rs. 2)	Rs. 100	31	-	-
			0.51	0.51
Total			56880.56	43560.82
Net appreciation in investments in associates under equity method (Refer Note (d))			721.99	3790.96
			57602.55	47351.78

Rs. in Lakhs

	Face Value of each	Nos.	2013	2012
<b>Total of Investments</b>				
Quoted			6354.22	6355.22
Unquoted			51248.33	40996.56
<b>Aggregate Amount</b>			57602.55	47351.78
<b>Market value of quoted investments</b>			62301.66	77414.57

**Notes:**

- (a) 769276 shares of Tata Chemical Ltd. are pledged against outstanding 3% Non Convertible privately placed Debentures.
- (b) Cost of investments in The Rising Beverages Company LLC and Bjets Pte Ltd. includes Goodwill amounting to Rs. 5949.00 Lakhs and Rs. 6839.01 Lakhs respectively, cost of investment in Amalgamated Plantations Pvt. Ltd. and Kanan Devan Hills Plantations Co. Pvt. Ltd. includes capital reserve of Rs. 1559.78 Lakhs and Rs. 1180.26 Lakhs respectively.
- (c) Fully provided (Original Cost Rs. 32.14 Lakhs).
- (d) Includes the following adjustments on account of Associate Companies:

	2013	2012
Pre-acquisition share of profit/(loss)	(152.25)	(152.25)
Post acquisition profit	5175.03	6686.51
Current year profit/(loss)	(2766.15)	(1511.48)
Dividend received	(1534.64)	(1231.82)
	721.99	3790.96

	2013	2012
<b>15. LONG-TERM LOANS AND ADVANCES</b>		
(unsecured and considered good unless otherwise stated)		
Inter Corporate Loans - Secured	2400.00	2400.00
Capital Advances	1040.28	2118.11
Security Deposit		
Considered Good	3446.03	3055.65
Considered Doubtful	34.88	32.73
	3480.91	3088.38
Less: Provision for Doubtful Deposits	(34.88)	(32.73)
	3446.03	3055.65
Other Advances		
Considered Good	1478.19	914.95
Considered Doubtful	12.34	12.31
	1490.53	927.26
Less: Provision for Doubtful Advances	(12.34)	(12.31)
	1478.19	914.95
MAT credit entitlement	-	337.91
	8364.50	8826.62

## Financial Statements and Notes

# Notes to Consolidated Financial Statements

continued

	2013	2012
<b>16. OTHER NON-CURRENT ASSETS</b>		
Receivable from Amalgamated Plantations Pvt. Ltd.	-	60.00
Long-term Bank Deposits*	-	3000.00
Others non current assets	-	272.08
	-	3332.08

\* Earmarked as a Lien on Series 1, 3% Non Convertible Debentures aggregating to Rs. 30000 Lakhs.

	Face Value of each	Nos.		
<b>17. CURRENT INVESTMENTS</b>				
<b>(a) Unquoted Equity Shares</b>				
BJETS Pte Ltd. (Refer Note 2(b)(iii))	US\$ 1	-	-	7230.66
		<b>(21584823)</b>	-	7,230.66
<b>(b) Unquoted Debentures</b>				
Infiniti Retail Ltd. - 6% Secured Redeemable Non Convertible Debentures (Redeemable with premium of 6.27% on maturity)	Rs. 50000000	-	-	1500.00
		<b>(3)</b>	-	1,500.00
<b>(c) Unquoted Mutual Fund</b>				
Tata Mutual Fund Units of TLFG - Tata Floater Fund Growth	Rs. 10	<b>6439.99</b>	<b>112.04</b>	-
Tata Mutual Fund Units of Tata Fixed Maturity Plus Fund - Series 35 Scheme - B	Rs. 10	-	-	500.00
HSBC Ultra Short-Term Fund Weekly Dividend	Rs. 10	<b>780717</b>	<b>78.60</b>	70.75
		<b>(631909)</b>		
			<b>190.64</b>	570.75
<b>Total Current Investments</b>			<b>190.64</b>	9301.41
<b>Net asset value of investment in Mutual Fund</b>			<b>190.64</b>	570.75

**18. INVENTORIES**

Stores, Spare Parts and Packing Materials	7695.68	7523.16
Raw Material *	79076.40	61183.76
Finished Goods **	50614.26	46399.91
Stock-in-Trade	413.96	444.80
Work-in-Progress	491.97	521.51
	<b>138292.27</b>	116073.14

\*includes intransit of **Rs. 4214.35 Lakhs** (Rs. 5865.73 Lakhs).

\*\*includes intransit of **Rs. 644.76 Lakhs** (Rs. 1335.15 Lakhs).

Rs. in Lakhs

	2013	2012
<b>19. TRADE RECEIVABLES</b>		
<b>Receivables outstanding for a period exceeding six months from due date</b>		
Considered Good	732.55	101.57
Doubtful	1150.58	1151.04
	<b>1883.13</b>	1252.61
Less : Provision for Doubtful Debts	<b>(1150.58)</b>	(1151.04)
	<b>732.55</b>	101.57
<b>Other Receivables</b>		
Considered Good *	70559.62	65079.71
Doubtful	235.11	87.60
	<b>70794.73</b>	65167.31
Less : Provision for Doubtful Debts	<b>(235.11)</b>	(87.60)
	<b>70559.62</b>	65079.71
	<b>71292.17</b>	65181.28

\*Other Receivable includes secured receivable of **Rs. 763.22 Lakhs** (Rs. 1188.21 Lakhs).

## 20. CASH AND BANK BALANCES

<b>Cash and Cash Equivalents</b>		
Cash/Cheques in hand	138.24	12.56
<b>Balances with Bank</b>		
Current Account	26169.73	5934.15
Deposit Account	39775.34	21853.94
	<b>66083.31</b>	27800.65
<b>Other Bank Balances</b>		
Deposit Account *	3020.40	45252.26
Unclaimed Dividend Account	666.65	563.55
	<b>3687.05</b>	45815.81
	<b>69770.36</b>	73616.46

\* includes **Rs. 3000 Lakhs** (Nil) bank deposits earmarked as a Lien on Series 1, 3% Non-Convertible Debentures aggregating to Rs. 30000 Lakhs.



## Financial Statements and Notes

# Notes to Consolidated Financial Statements

continued

	2013	2012	Rs. in Lakhs
<b>21. SHORT-TERM LOANS AND ADVANCES</b>			
(unsecured and considered good unless otherwise stated)			
<b>Inter Corporate Loans</b>	<b>64252.92</b>		60147.81
(including secured loan amounting to <b>Rs. 37009.17 Lakhs</b> (Rs. 33240.59 Lakhs))			
<b>Deposits</b>			
Considered Good	511.16		260.07
Considered Doubtful	38.00		38.00
	549.16		298.07
Less : Provision for Doubtful Deposits	(38.00)		(38.00)
	511.16		260.07
<b>Other Advances</b>			
Considered Good	12116.03		10305.70
Considered Doubtful	333.07		344.02
	12449.10		10649.72
Less : Provision for Doubtful Advances	(333.07)		(344.02)
	12116.03		10305.70
Prepaid Expenses	2360.87		2494.56
	<b>79240.98</b>		<b>73208.14</b>
<b>22. OTHER CURRENT ASSETS</b>			
Interest Accrued	583.78		548.98
Export Incentive receivable	1549.64		1162.81
	<b>2133.42</b>		<b>1711.79</b>
<b>23. REVENUE FROM OPERATIONS</b>			
Sale of Products			
Tea	528986.14		476681.80
Coffee	185741.97		170644.77
Others	8602.36		7952.24
	723330.47		655278.81
Sale of Trading Goods	3196.52		2969.82
Sale of Services	599.19		447.12
Other Operating Revenues			
Miscellaneous Receipts *	2248.27		1798.38
Liabilities no longer required written back	1388.13		987.58
Provision for debts and advances write back	79.99		115.54
Royalty Income	1460.38		-
Export Incentive	2888.55		2577.19
	8065.32		5478.69
	735191.50		664174.44
Less: Excise Duty	(93.74)		(169.95)
	<b>735097.76</b>		<b>664004.49</b>

\* Miscellaneous Receipts includes Statutory Board Subsidies **Rs. 13.83 Lakhs** (Rs. 32.05 Lakhs).

Rs. in Lakhs

	2013	2012
<b>24. OTHER INCOME</b>		
Interest Income		
Long-term Investments	5.02	1378.34
Others	6617.54	5457.62
	<b>6622.56</b>	6835.96
Dividend income		
Long-term Investments	1674.22	1549.95
Current Investments	195.98	593.08
	<b>1870.20</b>	2143.03
Profit on sale of Current Investments (net)	10.72	31.20
Profit on sale of Fixed Asset (net)	-	350.91
Rent Income	92.77	77.53
Other non operating income	4.37	13.07
	<b>8600.62</b>	9451.70
<b>25. COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed		
Tea	214287.72	188129.63
Coffee	76200.57	75887.38
Others	1139.54	1293.67
	<b>291627.83</b>	265310.68
Consumption of Packing Materials	44847.79	43971.57
	<b>336475.62</b>	309282.25
<b>26. PURCHASE OF STOCK-IN-TRADE</b>		
Tea	14788.89	19487.12
Coffee	4092.25	5415.00
Others	5495.89	4531.69
	<b>24377.03</b>	29433.81
<b>27. CHANGES IN INVENTORIES OF FINISHED GOODS/WORK IN PROGRESS/STOCK IN TRADE</b>		
<b>Stock as at 1st April</b>		
Finished Goods	46399.91	40169.47
Stock-in-Trade	444.80	204.58
Work-in-Progress	521.51	410.19
	<b>47366.22</b>	40784.24
<b>Stock as at 31st March</b>		
Finished Goods	50614.26	46399.91
Stock-in-Trade	413.96	444.80
Work-in-Progress	491.97	521.51
	<b>51520.19</b>	47366.22
	<b>(4153.97)</b>	(6581.98)

# Notes to Consolidated Financial Statements

continued

	2013	2012
Rs. in Lakhs		
<b>28. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	67378.02	61836.09
Contribution to Provident Fund and other Funds	4341.48	4133.41
Workmen and Staff Welfare Expenses	2291.13	2163.88
	<b>74010.63</b>	<b>68133.38</b>
<b>29. FINANCE COSTS</b>		
Interest Expense	7935.52	6403.35
Other Borrowing Cost	318.53	289.93
Exchange loss (net)	190.43	341.97
	<b>8444.48</b>	<b>7035.25</b>
<b>30. OTHER EXPENSES</b>		
Manufacturing and Cultivation Expenses	9691.44	9084.21
Consumption of Stores and Spare Parts	3930.44	3369.85
Power and Fuel	8524.97	7957.13
Repairs to Plant and Machinery	2073.86	2174.67
Repairs to Buildings	1499.56	1269.98
General Repairs	1498.62	1640.43
Rent	5253.12	4670.87
Rates and Taxes	1620.74	1416.22
Advertisement and Sale Charges	123895.83	109969.76
Commission on Sales	14814.67	11818.75
Freight	15978.92	16370.25
Insurance	2175.39	1761.14
Miscellaneous Expenses*	36191.97	29928.35
Provision for Doubtful Debts and Advances	218.27	-
Loss on sale of Fixed Assets	171.68	-
	<b>227539.48</b>	<b>201431.61</b>

\* Includes Exchange Loss **Rs. 187.73 Lakhs** (Rs. 2228.90 Lakhs)

Rs. in Lakhs

	2013	2012
<b>31. EXCEPTIONAL ITEMS</b>		
<b>Income</b>		
Profit on sale of Non Core Investments (net)	5233.75	13721.45
Exchange Gain	1201.97	201.45
	<b>6435.72</b>	13922.90
<b>Expenditure</b>		
Long-Term initiatives	(610.45)	(2443.00)
Re-organisation/Business Restructure costs	(3997.45)	(1555.75)
Redundancy costs	(433.84)	(2375.00)
Provision for Retirement Benefits/contractual Obligation (net)	(2138.78)	(2074.59)
One time Pension increase costs	(547.00)	-
Product Development costs	(1246.35)	(886.00)
Settlement of Claims	-	(571.00)
Loss on Assets written off	-	(1764.00)
Others	(278.42)	-
	<b>(9252.29)</b>	(11669.34)
	<b>(2816.57)</b>	2253.56

32. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2013 aggregated **Rs. 2046.91 Lakhs** (Rs. 3676.45 Lakhs).

**33. Contingent Liabilities not provided for in respect of:**

**a) Claims under adjudication not acknowledged as debts:**

	2013	2012
i. Taxes, Statutory Duties/Levies etc.	2782.34	2205.43
ii. Commercial and other Claims	2172.25	2165.70
b) Labour disputes under adjudication relating to some staff – amount not ascertainable for holding company and <b>Rs. 296.06 Lakhs</b> (Rs 239.42 Lakhs) for an Indian subsidiary.		
c) In the case of an overseas subsidiary there are contingent liabilities in respect of forward exchange contracts, operating leases, outstanding letters of credit and financing arrangements of joint ventures. All of these arrangements have been undertaken in the normal course of trade and are centrally managed by the central treasury team of the overseas subsidiary. Because the value of many of these liabilities is dependent on future market price movements, the directors believe that it is not practically possible to provide an estimate of the Group's potential liability under such arrangements.		
d) Guarantee given to the lender of a subsidiary <b>Rs. 13221.77 Lakhs</b> (Rs. 6788.60 Lakhs).		
e) Bank and other guarantees - <b>Rs. 809.87 Lakhs</b> (Rs. 917.87 Lakhs) - includes counter guarantee given by the Holding Company on behalf of an Indian Associate Company - <b>Nil</b> (Rs. 21.30 Lakhs).		

**34. Research & Development Expenditure:**

	2013	2012
Capital	11.90	31.26
Revenue	634.06	1074.98
<b>Total</b>	<b>645.96</b>	1106.24

## Notes to Consolidated Financial Statements

continued

## 35. Details of provision:

Rs. in Lakhs

Particulars	Future payment under contractual Obligation *		Reorganisation Cost #	
	2013	2012	2013	2012
Opening Balance	1934.48	-	1155.83	1319.93
Provision made during the year	-	2074.59	4993.26	3724.49
Amount paid/adjusted during the year	1934.48	140.11	2934.26	3888.59
Closing Balance	-	1934.48	3214.83	1155.83

\* The Holding Company and one of its Indian Subsidiary has adopted a policy for Post Retirement benefit obligation towards Qualifying Employee/Directors (Refer note 41(c)). The liability net of deferred tax has been adjusted/reversed.

# relates to restructure of certain corporate functions and is expected to be paid within the next 2 years.

## 36. Leases

## Finance Lease

The Company's leasing arrangements are in respect of finance lease for plant & machinery. The finance lease arrangements are non cancellable in nature for a period of 24 months.

## Disclosure in respect of finance leases:

Rs. in Lakhs

	2013			2012		
	Within 1 Year	1 to 5 Years	Total	Within 1 Year	1 to 5 Years	Total
Minimum lease payments under finance lease	2.86	-	2.86	34.34	2.86	37.20
Less : Amount representing finance charge	0.03	-	0.03	2.65	0.03	2.68
Present value of minimum lease payment	2.83	-	2.83	31.69	2.83	34.52

## Operating Lease

An overseas subsidiary has taken on lease office/factory buildings and the leases expire between 2013 and 2023. The Holding Company's leasing arrangement are in respect of operating leases for premises (residential, office, godown) and motor cars. These leasing arrangements which are cancellable ranges between 5 months to 5 years and are usually renewable on mutually agreed terms.

## Disclosure in respect of operating leases:

Rs. in Lakhs

	2013	2012
Total minimum lease payments under Non-cancellable operating lease	18722.53	22360.72
Within one year	2135.83	3150.77
Later than one year and not later than five years	11291.43	11590.64
Later than five years	5295.27	7619.31
Lease payments recognised in the statement of profit and loss	5792.42	5167.61

37. Basic and Diluted Earnings per Share (EPS) has been computed with reference to net profits attributable to equity shareholders of **Rs. 37275.01 Lakhs** (Rs. 35614.40 Lakhs) and the weighted average equity shares outstanding (Nominal value – Re. 1 per share) at the end of the year of **Rs. 6183.99 Lakh shares** (Rs. 6183.99 Lakh shares).

38. The proportionate share of the assets, liabilities, income and expenditure of the joint venture of Holding Company and its subsidiary companies (Refer Note 2(b) above) included in these consolidated financial statements are given below:

**Balance Sheet as at 31st March 2013**

	Rs. in Lakhs	
	2013	2012
<b>SOURCES OF FUNDS</b>		
Share Capital	10790.68	8,838.62
Reserves and Surplus	(3457.53)	(895.65)
<b>Shareholders' Funds</b>	<b>7333.15</b>	7942.97
<b>Non-Current Liabilities:</b>		
Deferred Tax (net)	(66.96)	(77.65)
Other Long-Term Liabilities	16.86	8.00
Long-Term Provisions	8.94	0.61
<b>Total Non-Current Liabilities</b>	<b>(41.16)</b>	(69.04)
Current Liabilities:		
Short-Term Borrowings	2090.20	1738.10
Trade Payables	5013.97	2953.03
Other Current Liabilities	456.27	175.34
Short-Term Provisions	98.09	91.67
<b>Total Current Liabilities</b>	<b>7658.53</b>	4958.14
<b>TOTAL SOURCES OF FUNDS</b>	<b>14950.52</b>	12832.07
<b>APPLICATION OF FUNDS</b>		
<b>Non-Current Assets</b>		
Fixed Assets		
Tangible Assets	2226.32	650.34
Intangible assets	180.02	-
Capital work in progress	863.74	31.53
Long-Term Loans and Advances	944.66	12.51
Other Non-Current Assets	-	1.45
<b>Total Non-Current Assets</b>	<b>4214.74</b>	695.83
<b>Current Assets</b>		
Inventories	6300.51	5319.35
Trade Receivables	2715.53	1957.35
Cash and Bank Balance	1010.84	4131.46
Short-Term Loans and Advances	708.00	669.56
Other Current Assets	0.90	58.52
<b>Total Current Assets</b>	<b>10735.78</b>	12136.24
<b>TOTAL APPLICATION OF FUNDS</b>	<b>14950.52</b>	12832.07

# Notes to Consolidated Financial Statements

continued

## Statement of Profit and Loss for the year ended 31st March 2013

Rs. in Lakhs

	2013	2012
<b>INCOME</b>		
Revenue from Operations	40538.45	33884.40
Other Income	250.33	79.02
<b>Total Revenue</b>	<b>40788.78</b>	<b>33963.42</b>
<b>EXPENSES</b>		
Cost of Material Consumed	18469.63	14932.32
Purchase of Trading Goods	10064.56	9,321.20
Change in Inventories of Finished Goods/Work-in-progress/stock-in-trade	(14.95)	(111.74)
Employee Benefits Expense	2712.69	2018.90
Finance Costs	150.99	168.24
Depreciation and Amortisation Expense	256.20	157.63
Other Expenses	10303.35	7285.98
<b>Total Expenses</b>	<b>41942.47</b>	<b>33772.53</b>
<b>Profit before exceptional</b>	<b>(1153.69)</b>	<b>190.89</b>
Exceptional items (net)	447.97	416.51
<b>Profit before tax</b>	<b>(705.72)</b>	<b>607.40</b>
Provision for Taxation	28.09	19.20
<b>Profit after Taxation</b>	<b>(733.81)</b>	<b>588.20</b>

Capital Commitment of the Holding Company in relation to the interest in NourishCo Beverages Ltd. is Nil (Rs. 747.50 Lakhs) and Tata Starbucks Ltd. is Rs. 2300 Lakhs (Nil), being its contribution to subscribe to the share capital of the Joint Venture as and when required.



**39 a. Consolidated Related Party Disclosure**  
**Particulars of transactions during the year ended 31st March 2013**

Rs. in Lakhs

Nature of Transactions	Associates/ Joint Ventures	Promoter	Key Management Personnel	Total
Sale of Goods and Services	<b>2656.25</b>	-	-	<b>2656.25</b>
	(2350.01)	-	-	(2350.01)
Other Income	<b>209.08</b>	-	-	<b>209.08</b>
	-	-	-	-
Purchase of Goods and Services	<b>24340.23</b>	-	-	<b>24340.23</b>
	(23195.31)	-	-	(23195.31)
Rent Paid	<b>54.57</b>	-	-	<b>54.57</b>
	(44.98)	(9.15)	-	(54.13)
Fees for Product Development	<b>674.16</b>	-	-	<b>674.16</b>
	(502.00)	-	-	(502.00)
Other Expenses (net)	<b>345.00</b>	<b>1323.20</b>	-	<b>1668.20</b>
	(361.00)	(1301.30)	-	(1662.30)
Deposits Given	-	<b>100.00</b>	-	<b>100.00</b>
	-	-	-	-
Deposits Redeemed	-	-	-	-
	-	(400.00)	-	(400.00)
Directors' Remuneration *	-	-	<b>641.18</b>	<b>641.18</b>
	-	-	(822.25)	(822.25)
Dividend Paid	-	<b>3071.37</b>	-	<b>3071.37</b>
	-	(2837.44)	-	(2837.44)
Investments Redeemed/Sold	-	-	-	-
	(2581.62)	-	-	(2581.62)
Investments made	<b>5771.25</b>	-	-	<b>5771.25</b>
	(10883.15)	-	-	(10883.15)
Reimbursement of Expenses (net)	<b>517.12</b>	<b>10.33</b>	-	<b>527.45</b>
	((50.02))	(6.31)	-	(43.71)
Dividend/Interest Received	<b>464.07</b>	<b>140.40</b>	-	<b>604.47</b>
	(451.51)	(140.40)	-	(591.91)
Balances Outstanding				
	Debit	<b>3049.05</b>	-	<b>3049.05</b>
		(590.32)	-	(590.32)
	Credit	<b>327.16</b>	<b>1093.87</b>	<b>1421.03</b>
		(204.68)	-	(1207.69)

\* Provision for employee benefits, which are based on actuarial valuation done on an overall basis, is excluded. The above does not include share of recurring/special benefits payables to former Director.

# Notes to Consolidated Financial Statements

continued

## Related Parties

### Promoter

Tata Sons Ltd.

### Associates

Estate Management Services Pvt. Ltd.

Amalgamated Plantations Pvt. Ltd.

Kanan Devan Hills Plantations Co. Pvt. Ltd. (w.e.f 30th October 2012)

### Joint Ventures

NourishCo Beverages Ltd.

Tata Starbucks Ltd.

### Joint Ventures of Subsidiary

Tetley ACI (Bangladesh) Ltd.

Empirical Group LLC, USA

Southern Tea LLC, USA

Tetley Clover Pvt. Ltd., Pakistan

Tata Coffee (Uganda) Ltd. (Dissolved on 21st December 2012)

### Associate of Subsidiary

The Rising Beverage Company LLC, USA

Bjets Pte. Ltd. Singapore ((Refer Note 2(b)(iii))

## Key Management Personnel

Mr. Harish Bhat - Managing Director, Tata Global Beverages Ltd. (w.e.f 1st July 2012)

Mr. P T Siganporia - Managing Director, Tata Global Beverages Ltd. (upto 30th June 2012)

Mr. Ajoy Misra - Executive Director, Tata Global Beverages Ltd.

Mr. L. Krishna Kumar, Director & Group CFO, Tata Global Beverages Group Ltd.

**39. b) Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same type**

			Rs. in Lakhs	
			<b>2013</b>	<b>2012</b>
1	Sale of Goods and Services	Southern Tea LLC, USA	<b>333.58</b>	-
		NourishCo Beverages Ltd.	<b>854.46</b>	542.33
		Empirical Group LLC, USA	<b>688.62</b>	834.41
		Tetley Clover Pvt. Ltd., Pakistan	<b>720.97</b>	967.00
2	Other Income	Kanan Devan Hills Plantations Co. Pvt. Ltd.	<b>209.08</b>	-
3	Purchase of Goods & Services	Amalgamated Plantations Pvt. Ltd.	<b>14737.29</b>	17008.85
		Kanan Devan Hills Plantations Co. Pvt. Ltd.	<b>2961.88</b>	-
		Southern Tea LLC, USA	<b>6641.06</b>	6186.46
4	Rent Paid	Tata Sons Ltd.	-	9.15
		Amalgamated Plantations Pvt. Ltd.	<b>54.57</b>	44.98
5	Fees for Product Development	NourishCo Beverages Ltd.	<b>674.11</b>	502.00
6	Other Expenses (net)	Tata Sons Ltd.	<b>1323.20</b>	1301.30
		Amalgamated Plantations Pvt. Ltd.	<b>345.00</b>	361.00
7	Dividend Paid	Tata Sons Ltd.	<b>3071.37</b>	2837.44
8	Investments Redeemed	Amalgamated Plantations Pvt. Ltd.	-	2581.62
9	Investments Made	NourishCo Beverages Ltd.	<b>1747.50</b>	1500.00
		Tata Starbucks Ltd.	-	3500.00
		The Rising Beverages Company LLC	<b>3963.75</b>	5883.15
10	Reimbursement of Expenses (net)	Amalgamated Plantations Pvt Ltd.	<b>209.25</b>	176.85
		NourishCo Beverages Ltd.	<b>(51.96)</b>	(151.49)
		Tata Starbucks Ltd.	<b>(8.63)</b>	(75.38)
		Kanan Devan Hills Plantations Co. Pvt. Ltd.	<b>368.46</b>	-
11	Deposits Given	Tata Sons Ltd.	<b>100.00</b>	-
12	Deposits Redeemed	Tata Sons Ltd.	-	400.00
13	Dividend and Interest Received	Amalgamated Plantations Pvt. Ltd.	<b>122.72</b>	403.21
		Estate Management Services Pvt. Ltd.	<b>180.77</b>	-
		Kanan Devan Hills Plantations Co. Pvt. Ltd.	<b>160.58</b>	-
		Tata Sons Ltd.	<b>140.40</b>	140.40

# Notes to Consolidated Financial Statements

continued

## 40. Consolidated Segment Reporting

### a) By Business Segments:

Particulars	Rs. in Lakhs				Total
	Tea	Coffee and Other Produce	Others	Unallocated	
Sales Revenue from External Customers	529137.62	190325.57	7569.25	-	727032.44
	(476766.76)	(175280.58)	(6478.46)	-	(658525.80)
Other Operating Revenue	3658.61	4336.81	28.68	41.22	8065.32
	(4047.16)	(1350.64)	(62.49)	(18.40)	(5478.69)
Total Segment Revenue	532796.23	194662.38	7597.93	41.22	735097.76
	(480813.92)	(176631.22)	(6540.95)	(18.40)	(664004.49)
Add : Other Income	-	-	-	8600.62	8600.62
				(9451.70)	(9451.70)
<b>Total Income</b>	<b>532796.23</b>	<b>194662.38</b>	<b>7597.93</b>	<b>8641.84</b>	<b>743698.38</b>
	(480813.92)	(176631.22)	(6540.95)	(9470.10)	(673456.19)
Segment result	54432.14	28919.37	(2559.71)	(8.56)	80783.24
	(50650.48)	(19609.28)	1921.84	-	(68337.91)
Add : Other Income	-	-	-	8600.62	8600.62
				(9451.70)	(9451.70)
Add : Unallocable (expenditure) net of income	-	-	-	(14443.85)	(14443.85)
				((15646.04))	((15646.04))
Less: Finance Cost	-	-	-	(8444.48)	(8444.48)
				((7035.25))	((7035.25))
	54432.14	28919.37	(2559.71)	(14296.26)	66495.54
	(50650.48)	(19609.28)	((1921.84))	((13229.59))	(55108.32)
Exceptional Income / (Expenditure)	-	-	-	(2816.57)	(2816.57)
				(2253.56)	(2253.56)
<b>Profit before Tax</b>	<b>54432.14</b>	<b>28919.37</b>	<b>(2559.71)</b>	<b>(17112.83)</b>	<b>63678.97</b>
	(50650.48)	(19609.28)	((1921.84))	((10976.03))	(57361.88)
Provision for Taxation	-	-	-	(16407.08)	(16407.08)
				((14170.97))	((14170.97))
<b>Profit after Taxation before Share of Results of Associates and Minority Interest</b>	<b>54432.14</b>	<b>28919.37</b>	<b>(2559.71)</b>	<b>(33519.91)</b>	<b>47271.89</b>
	(50650.48)	(19609.28)	((1921.84))	((25147.00))	(43190.91)
Share of Results of Associates	-	-	-	(2766.15)	(2766.15)
				((1511.48))	((1511.48))
<b>Profit after Taxation before Minority Interest</b>	<b>54432.14</b>	<b>28919.37</b>	<b>(2559.71)</b>	<b>(36286.06)</b>	<b>44505.74</b>
	(50650.48)	(19609.28)	((1921.84))	((26658.48))	(41679.43)
Segment Assets	428144.27	234951.64	26387.99	-	689483.90
	(405383.94)	(208717.88)	(22635.95)	-	(636737.77)
Investments	-	-	-	57793.19	57793.19
				(56653.19)	(56653.19)

Particulars	Rs. in Lakhs				Total
	Tea	Coffee and Other Produce	Others	Unallocated	
Unallocated Assets	-	-	-	132111.16	132111.16
				(134490.78)	(134490.78)
<b>Total Assets</b>	<b>428144.27</b>	<b>234951.64</b>	<b>26387.99</b>	<b>189904.35</b>	<b>879388.25</b>
	(405383.94)	(208717.88)	(22635.95)	(191143.97)	(827881.74)
Segment Liabilities	92222.78	27023.66	3928.49	-	123174.93
	(91595.34)	(24293.50)	(1163.82)	-	(117052.66)
Unallocated Liabilities	-	-	-	193810.53	193810.53
				(147662.64)	(147662.64)
<b>Total Liabilities</b>	<b>92222.78</b>	<b>27023.66</b>	<b>3928.49</b>	<b>193810.53</b>	<b>316985.46</b>
	(91595.34)	(24293.50)	(1163.82)	(147662.64)	(264715.30)
Capital Expenditure	7766.93	14095.29	940.89		
	(8847.78)	(2364.63)	(1943.33)		
Depreciation & Amortisation	6204.03	4062.05	243.49		
	(5619.74)	(3768.47)	(226.34)		
Non Cash Expenditure other than depreciation and amortisation	149.29	68.07	8.39		
	(1.40)	-	(0.01)		

**b) By Geographical Segments:**

	Rs. in Lakhs				Total
	India	UK	USA & Canada	Rest of the World	
Sales Revenue	230896.80	154713.71	199367.41	142054.52	727032.44
	(199251.11)	(147604.68)	(175892.59)	(135777.42)	(658525.80)
Segment Assets	175426.36	278186.63	194596.21	41274.70	689483.90
	(139405.54)	(258140.62)	(185854.90)	(53336.71)	(636737.77)
Purchase of Fixed Assets	13224.65	7453.94	1134.39	990.13	22803.11
	(8269.34)	(2139.83)	(1133.71)	(1612.86)	(13155.74)

**Notes:**

- Business Segments: The internal business segmentation and the activities encompassed therein are as follows:
  - Tea :** Cultivation & manufacture of black tea and instant tea, tea buying/blending and sale of tea in bulk or value added form.
  - Coffee and Other Produce :** Cultivation of coffee, pepper and other plantation crops and conversion of coffee into value added products such as roast and ground coffee & instant coffee and sales thereof.
  - Others :** Sale of natural mineral water, other minor crops, curing operations of coffee and trading of items required for coffee plantations.
- Geographical segments :Segmentation is on the basis of the geographical location of the customers.
- The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable expenditure include expenses incurred on common services at the corporate level interest and exceptional items, unallocable income includes income from investments & exceptional items.
- Pricing of inter segment transfers are based on benchmark market prices.

# Notes to Consolidated Financial Statements

continued

## 41. Post Retirement Employee Benefits :

- The Group operates defined contribution schemes like provident fund and defined contribution superannuation schemes. For these schemes, contributions are made by the Group, based on current salaries, to funds maintained by the Group and for certain categories contributions are made to State Plans. For certain schemes contributions are also made by the employees. An amount of **Rs. 2951.03 Lakhs** (Rs. 2399.97 Lakhs) has been charged to the statement of profit and loss on account of defined contribution schemes.
- The Group also operates defined benefit schemes like retirement gratuity, defined superannuation benefits and post retirement medical benefits. The superannuation benefits and medical benefits are restricted to certain categories of employees. The defined benefit schemes offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by independent actuaries. Wherever funds have been set up, annual contributions are also made by the Group. Employees are not required to make any contribution.
- During the year the Company has adopted a policy for Post Retirement benefit obligation ("Others") towards qualifying Employee/ Directors in the form of pension, medical and other benefits, by using the principles as stated in AS 15 - Employee Benefits. The quantum and payment of the said benefits are subject to eligibility criteria of the retiring employee/director and is payable at the discretion of the Board after the vesting conditions are fulfilled.
- The Group has substantial international operations with approximately 65% of its revenues coming from overseas operations. For the purposes of consolidated financial statements, actuarial gains and losses relating to defined benefit pension scheme of overseas subsidiaries has been accounted for in the Reserves instead of the statement of profit and loss, applying the accounting principles of consolidation under Accounting Standard 21 and the policy followed by the overseas subsidiaries and as recognised by the relevant overseas accounting framework. Adoption of the above policy is required to reflect a consistent framework amenable for better inter-firm comparison and to reflect the underlying performance. Overseas actuarial gains/losses principally relate to a defined benefit retirement scheme of an overseas subsidiary which is closed for future accruals. These gains/losses represent increase in the value of future long-term payment obligations due to changes in interest rates and other actuarial assumptions based on the market position as at the year end. The actuarial assumptions are subject to significant fluctuations especially under volatile market conditions. Had the company followed the policy of accounting overseas actuarial gain/(loss) in the statement of profit and loss, the profit before tax, profit after tax before shares of Associate & Minority Interest and profit after tax would have been lower by **Rs. 4215.20 Lakhs** (Rs. 10215.00 Lakhs), **Rs. 3245.70 Lakhs** (Rs. 8516.00 Lakhs) and **Rs. 2695.23 Lakhs** (Rs. 7071.71 Lakhs) respectively.
- The following tables set out the details of funded and un-funded retirement benefit plans and amounts recognised in the financial statements :
  - Amounts recognised in the Statement of Profit and Loss and charged to Contribution to Provident Fund and Other Funds, Staff Welfare and Exceptional Items are as follows:**

	Rs. in Lakhs						
	Pension		Gratuity		Medical		Others
	2013	2012	2013	2012	2013	2012	2013
Current Service Cost	-	-	333.71	413.27	136.40	131.62	3981.97
Interest on obligation	4482.62	3926.47	455.76	374.66	319.21	280.60	123.60
Expected Return on plan assets	(4188.83)	(4036.38)	(462.00)	(336.17)	-	-	-
Net actuarial loss/(gain) recognised during the year	(45.71)	(60.25)	890.47	533.60	59.77	27.81	(90.42)
Other Credits	-	-	-	4.56	-	-	-
Effects of the limit in Para 59(b)	(4.40)	12.02	(0.85)	0.91	-	-	-
<b>Total recognised in statement of profit and loss</b>	<b>243.68</b>	<b>(158.14)</b>	<b>1217.09</b>	<b>990.83</b>	<b>515.38</b>	<b>440.03</b>	<b>4015.15</b>

ii. Reconciliation of opening and closing balances of the present value of the obligations:

Rs. in Lakhs

	Pension		Gratuity		Medical		Others
	2013	2012	2013	2012	2013	2012	2013
Opening defined benefit obligation	85218.35	65482.57	5618.06	4640.02	3777.93	3416.88	-
Current Service Cost	-	-	333.71	412.67	136.40	131.62	3981.97
Interest Cost	4482.62	3926.47	455.76	374.66	319.21	280.60	123.60
Actuarial loss/(gain)	9617.38	9140.41	961.09	598.15	59.77	27.81	(90.42)
Liabilities assumed on Acquisition/(settled on Divestiture) etc.	-	-	80.99	50.63	-	-	-
Exchange Rate Variation	102.93	9061.53	-	-	-	-	-
Benefit Paid	(3170.89)	(2392.63)	(616.11)	(458.07)	(99.09)	(78.98)	(126.26)
<b>Closing Defined Benefit Obligation</b>	<b>96250.39</b>	<b>85218.35</b>	<b>6833.50</b>	<b>5618.06</b>	<b>4194.22</b>	<b>3777.93</b>	<b>3888.89</b>

iii. Reconciliation of opening and closing balances of the fair value of plan assets:

Rs. in Lakhs

	Pension		Gratuity	
	2013	2012	2013	2012
Opening fair value of Plan Assets	69464.64	58375.49	4646.23	4090.11
Expected Return on Plan Assets	4188.83	4036.38	462.00	336.16
Actuarial gain/(loss)	5280.66	(1013.84)	66.80	64.56
Contribution/(Withdrawal) by employer	5155.81	2280.30	996.91	567.40
Assets acquired on Acquisition/(settled on Divestiture)	-	-	80.99	46.07
Exchange Rate Variation	(30.86)	8116.48	-	-
Benefits Paid	(3016.88)	(2330.17)	(616.11)	(458.07)
<b>Closing Fair value of Plan Assets</b>	<b>81042.20</b>	<b>69464.64</b>	<b>5636.82</b>	<b>4646.23</b>
<b>Actual Return on Plan Assets</b>	<b>9469.49</b>	<b>3022.54</b>	<b>528.80</b>	<b>400.72</b>

iv. Major Categories of Plan Assets as a percentage of fair value of the total plan assets:

	2013	2012
Govt. of India Securities	0.39%	0.45%
Equity	37.65%	38.41%
Bonds	44.69%	44.94%
Insurance managed Funds	7.26%	7.43%
Property	7.17%	8.43%
Others	2.84%	0.34%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>



## Financial Statements and Notes

## Notes to Consolidated Financial Statements

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## v. Effect of increase/ decrease of one percentage point in the assumed medical inflation rates:

	Rs. in Lakhs			
	Increase		Decrease	
	2013	2012	2013	2012
Effect on aggregate of interest cost and current service cost	47.81	84.13	(43.87)	(75.66)
Effect on defined benefit obligation	301.16	251.52	(276.28)	(230.75)

## vi. Principal Actuarial assumptions used:

	2013	2012
Discount rates	8.16% / 8.00% / 7.95% / 4.45%	8.65% / 5.00%
Expected rate of return on plan assets	9.40% / 7.50% / 6.50%	7.50% / 6.50%
Expected salary increase rates	5.00% / 6.00% / 8.00% based on employee category	4.00% / 5.00% based on employee category
Medical inflation rate	8.00%	8.00%
Mortality rates	LIC 1994-96 mortality tables/ other approved norms for overseas schemes	LIC 1994-96 mortality tables/ other approved norms for overseas schemes

The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, future salary increases, supply and demand in the employment market etc. The expected return on plan assets is based on actuarial expectation of the average long-term rate of return expected on investments of the Funds during the estimated term of the obligations.

The contribution expected to be made by the Group for the year ending 31st March 2014 is not readily ascertainable.

## vii. Amounts recognised in the Balance Sheet are as follows:

	Rs. in Lakhs															
	Pension					Gratuity					Medical			Others		
	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009	2013
Present value of funded obligation	95787.62	84627.71	64843.75	63313.23	53360.70	6833.50	5618.06	4688.82	4217.93	4116.08	-	-	-	-	-	-
Fair Value of Plan Assets	81042.20	69464.64	58375.49	51628.58	41383.12	5636.82	4646.23	4146.47	4054.69	3197.45	-	-	-	-	-	-
	14745.42	15163.07	6468.26	11684.65	11977.58	1196.68	971.83	542.35	163.24	918.63	-	-	-	-	-	-
Present Value of Unfunded Obligation	462.76	590.63	638.82	677.50	336.91	-	-	-	-	-	4194.22	3777.93	3416.88	2798.31	2472.52	3888.89
Amount not recognised as an asset (limit in Para 59 (b) of AS -15)	66.45	70.85	58.83	40.53	6.29	-	-	-	-	-	-	-	-	-	-	-
Net Liability	15274.63	15824.55	7165.91	12402.68	12320.78	1196.68	971.83	542.35	163.24	918.63	4194.22	3777.93	3416.88	2798.31	2472.52	3888.89

42. Unless otherwise stated, figures in brackets relate to the previous year and have been rearranged/regrouped, wherever necessary.

# Subsidiary Companies Financial Highlights

For the year ended 31 March 2013

Item	Reporting Currency	Capital Reserves	Total Assets	Total Liabilities	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Investments (Other than Subsidiaries)	Exchange Rate used for Conversion		
											Average yearly rates for P&L items	Year end rates for Balance Sheet items	
											Rs.	Rs.	
Tata Global Beverages Group Ltd.	Pound Sterling	192973.07	10943.42	687772.18	483855.69	-	2718.83	1702.28	-	-	-	85.93	82.09
Tata Global Beverages Holdings Ltd.	Pound Sterling	0.17	143272.50	155572.86	12300.19	-	-	17186.00	-	-	-	85.93	82.09
Tata Global Beverages Services Ltd.	Pound Sterling	131.34	282436.39	408192.53	125624.80	22585.84	(73.90)	1142.87	-	-	-	85.93	82.09
Tata Global Beverages GB Ltd.	Pound Sterling	0.00	151668.66	232295.00	806236.34	147237.62	(5470.30)	14555.06	-	-	-	85.93	82.09
Tata Global Beverages Overseas Holdings Ltd.	Pound Sterling	0.00	2471.73	52486.70	50014.97	-	2.58	(323.95)	-	-	-	85.93	82.09
Tata Global Beverages Overseas Ltd.	Pound Sterling	0.00	(1264.19)	5426.97	6691.16	93.66	123.74	(397.00)	-	-	-	85.93	82.09
Lyons Teetley Limited (Dormant)	Pound Sterling	16.42	-	16.42	-	-	-	-	-	-	-	85.93	82.09
Tata Global Beverages US Holdings Inc.	US Dollars	111105.98	12896.79	39589.04	15586.27	-	(205.88)	(205.88)	-	-	-	54.18	54.30
Teetley USA Inc.	US Dollars	74121.67	(53577.81)	23312.62	2768.76	14754.84	(2.71)	2191.58	-	-	-	54.18	54.30
Tata Global Beverages Canada Inc.	Canadian Dollars	801.60	5598.91	13062.87	6662.36	37200.46	1115.95	(296.04)	-	-	-	54.12	53.44
Tata Global Beverages Australia Pty Ltd.	Australian Dollars	1582.00	(6654.57)	5262.98	10335.55	15227.09	(937.05)	(937.05)	-	-	-	55.91	56.50
Stansand Ltd. (Dormant)	Pound Sterling	4.10	-	4.10	-	-	-	-	-	-	-	85.93	82.09
Stansand Brokers Ltd. (Dormant)	Pound Sterling	26.04	-	26.04	-	-	-	-	-	-	-	85.93	82.09
Stansand (Africa) Ltd.	Kenyan Shilling	3.15	565.70	2327.40	1758.55	13690.57	60.15	(24.19)	-	-	-	0.64	0.63
Stansand (Central Africa) Ltd.	Malawi Kwacha	0.00	102.52	321.73	219.21	3701.22	179.89	(54.81)	-	-	-	0.19	0.14
Tata Global Beverages Polska sp.oz.o	Polish Zloty	3152.88	(7141.59)	3499.45	7488.16	10635.91	(2107.22)	(2107.22)	-	-	-	16.80	16.63
Drassington Ltd.	Pound Sterling	1605.68	(1730.46)	27.09	151.87	-	-	-	-	-	-	85.93	82.09
Good Earth Corporation	US Dollars	-	(420.83)	-	420.83	-	-	(62.85)	-	-	-	54.18	54.30
Good Earth Teas Inc.	US Dollars	48.87	(5589.10)	2685.68	8225.91	6002.06	(902.10)	(902.10)	-	-	-	54.18	54.30
Teapigs Ltd.	Pound Sterling	820.90	252.84	3423.97	2350.24	5434.21	448.55	(86.79)	-	-	-	85.93	82.09
Tata Global Beverages Czech Republic a.s	Czech Krona	54.00	(1749.38)	7507.08	9202.46	7062.67	(2105.13)	(2105.13)	-	-	-	2.78	2.70
Tata Global Beverages (GB) Investment Ltd.	Pound Sterling	191883.73	163146.49	359348.15	4317.93	-	9975.61	(2160.28)	-	10157.37	-	85.93	82.09
Campestres Holdings Ltd.	US Dollars	1.63	11871.07	11937.31	64.61	-	(278.49)	(278.49)	-	-	-	54.18	54.30
Kahutara Holdings Ltd.	US Dollars	10.86	17329.30	27811.92	10471.76	-	1829.12	(0.13)	-	-	-	54.18	54.30
Suntyc Co Ltd.	US Dollars	37.47	8275.86	8526.73	213.40	2083.76	2441.35	(119.20)	2322.15	-	-	54.18	54.30
Onomto Co Ltd.	US Dollars	3.83	1324.92	1346.10	17.35	396.60	379.80	(2.17)	377.63	-	-	54.18	54.30
OOO Sunity LLC	Russian Roubles	3479.65	337.02	17495.63	13678.96	44636.90	700.61	(318.16)	382.45	-	-	1.74	1.75
OOO Teatrade LLC	Russian Roubles	0.18	79.33	6763.68	6684.17	1347.98	(26.62)	(30.62)	-	-	-	1.74	1.75
Joeke's Tea Packers (Proprietary) Ltd.	South African Rand	0.01	916.68	2740.60	1823.91	7917.83	86.04	(29.03)	57.01	-	-	6.45	5.86
Tata Global Beverages Capital Ltd.	Pound Sterling	735583.39	223.28	131969.53	58187.86	-	1410.97	354.89	-	-	-	85.93	82.09
Tata Coffee Ltd.	Indian Rupees	1867.70	50577.64	79828.11	27382.77	62028.67	13114.90	(3745.64)	1400.78	452.57	-	-	-
Alliance Coffee Ltd.	Indian Rupees	5.00	88.32	98.55	5.23	7.85	5.64	5.64	-	78.60	-	-	-
Consolidated Coffee Inc.	US Dollars	32525.70	1378.13	44144.81	10240.98	-	3351.03	322.91	3673.94	-	-	54.18	54.30
EOC Holdings Inc. (Consolidated)	US Dollars	32525.70	4114.31	138440.57	101800.56	91035.40	9326.00	(3152.73)	6173.27	-	-	54.18	54.30
Tata Tea Extractions Inc.	US Dollars	7602.00	16986.13	26911.62	2323.49	7943.10	1589.64	(427.48)	1162.16	-	-	54.18	54.30
Zhejiang Tata Tea Extraction Company Ltd.	Chinese Yuan	4801.50	(2395.25)	9236.34	6830.09	99.65	(1325.93)	344.28	(981.65)	-	-	8.62	8.73
Tata Tea Holdings Private Ltd.	Indian Rupees	5.00	(3.06)	2.28	0.34	-	(0.11)	(0.11)	-	-	-	-	-
Mount Everest Mineral Water Ltd.	Indian Rupees	3399.60	1003.19	5009.74	606.95	2473.55	54.05	54.05	-	112.04	-	-	-

## Financial Statements and Notes

# Ten-year summary

	Rs. in Lakhs									
	2012-13#	2011-12#	2010-11#	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Total Revenue	243907	212938	192408	183684	152464	126329	114611	104017	95024	83845
Profit before Tax	32095	36991	23023	49543	22906	38586	34977	23052	16215	12023
Tax	6230	6723	4964	10396	7000	7300	4320	4359	3323	2870
Profit after Tax	25865	30268	18059	39147	15906	31286	30657	18693	12892	9153
Dividend payout @	15364	15365	14154	14313	12533	25322	10852	7693	6410	5403
Equity Capital	6184	6184	6184	6184	6184	6184	5903	5622	5622	5622
Share Warrants	-	-	-	-	-	-	2183	-	-	-
Reserves & Surplus	225645	214827	199461	201600	173748	174221	148469	110505##	99275	91903\$
Shareholders' Funds	231829	221011	205645	207784	179932	180405	156555	116127	104897	97525
Borrowings ^	50857	36685	50547	49966	75500	75751	79700	24136	19137	19736
Capital Employed	282686	257696	256192	257750	255432	256156	236255	140263	124034	117261
Net Block	15045	14278	12600	11136	10396	9810	24658	25031	30269	31288
Contribution to Exchequer	9621	8666	7202	11999	8045	8270	5358	5654	5719	4456
Payments relating to Employees	12006	10069	9545	9503	9175	7183	17915	17631	21892	21694
No. of Employees	2489	2218	2373	2419	2422	2510	34506	34596	51929	55665
Book value per Share (Rs.)*	37.13◇	35.39◇	32.90◇	332.47	287.43	288.19	261.51	202.67	182.69	169.58
Earnings per Share (Rs.)	4.18◇	4.89◇	2.92◇	63.30	25.72	50.79**	53.56**	33.25	22.93	16.28
Dividend per Share (Rs.)	2.15◇	2.15◇	2.00◇	20.00	17.50	35.00&	15.00	12.00	10.00	8.50
Total Debt to Equity *	0.22	0.17	0.25	0.24	0.42	0.43	0.52	0.21	0.19	0.21

**CONSOLIDATED FINANCIAL HIGHLIGHTS**

Total Revenue	743698	673456	610036	585499	490730	437597	410323	315112	307673	309948
Profit before Tax	63679	57362	49436	64098	125631	205928	56561	41840	31372	28771
Net Profit	37275	35614	25433	39030	70055	154255	44335	29915	21547	19643
Book value per Share (Rs.)*	77.08◇	73.15◇	63.37◇	596.35	580.94	557.34	359.96	275.27	266.26	234.97
Basic Earnings per Share (Rs.)	6.03◇	5.76◇	4.11◇	63.11	113.28	250.41**	77.46**	53.21	38.33	34.95
Total Debt to Equity *	0.25	0.16	0.21	0.38	0.53	0.59	1.67	1.03	1.02	1.28

# Figures as per Revised Schedule VI.

@ Includes Tax on Dividend.

## Inclusive of Rs. 288.47 Lakhs credited pursuant to a scheme of amalgamation.

\$ After deduction of Rs. 4100 Lakhs of Miscellaneous Expenditure to the extent not written off or adjusted, pursuant to the order of the Hon'ble High Court of Calcutta.

^ Includes current maturities of long term debts.

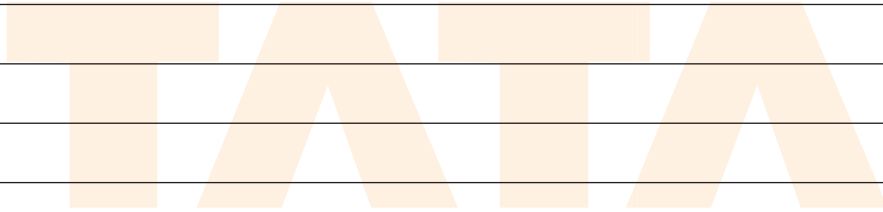
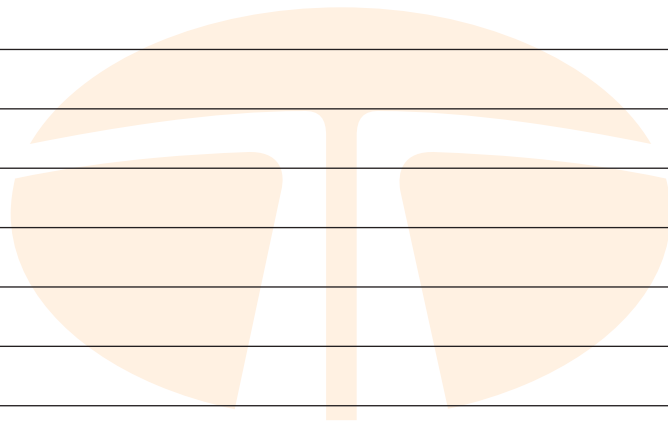
\* Computation excludes Revaluation Reserves.

◇ Computation based on revised face value of shares.

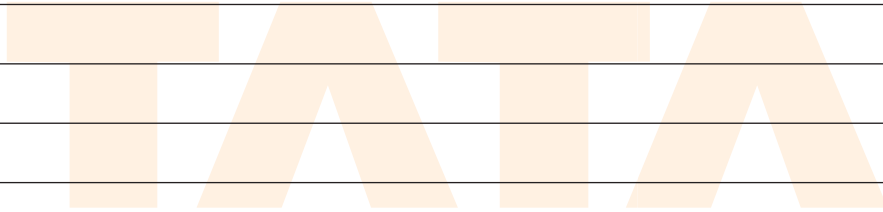
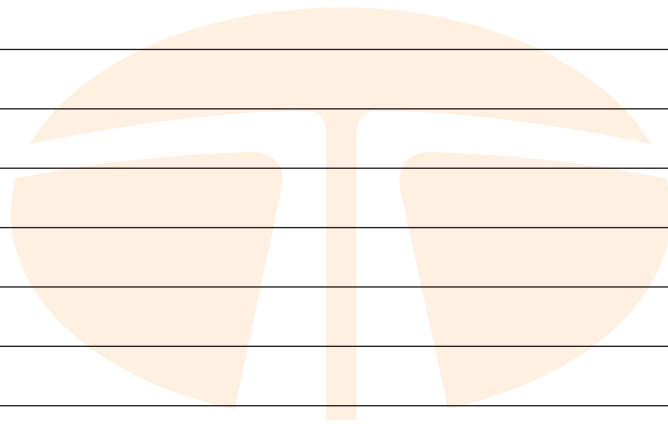
\*\* On the average Share capital for the year/period.

& Includes one time special dividend of Rs. 20 per share.

# Notes



# Notes



# Women employees of the **Tata Global Beverages Group** who are featured on the cover page

## Background silhouette- Farah Ashraff, India

### Row No. 1 (Left to right)

Channan Sawhney, *India*. Anna DeGuzman, *UK*. Maheshwari.N, *India*. Palaniamma, *India*. Heather Gricus, *USA*. GERALYN MULLIN, *USA*. G. Mary Rani, *India*. Selvi, *India*. Sandanamerry, *India*. Luisa Tacuyan, *Canada*. Zoe Warren, *UK*. Dhvani Kothari, *India*. Liesel Bell, *USA*. Ruchira Bhattacharya, *India*. Joanne Clish, *UK*.

### Row No. 2 (Left to right)

Meeta Nuvaid, *India*. Christine McGinley, *UK*. Annamma, *India*. A. Mariaselvam, *India*. Fenella Patterson, *India*. Rajeswari, *India*. Jaya, *India*. Arputhamary, *India*. Anita Agarwal, *India*. Latika Prabhakaran, *India*. Trishna Jobanputra, *India*. Erlinda Sumadsad, *Australia*. Annamma Mathew, *India*. Alisa Jacoby, *USA*. Lavanya Iyer, *India*.

### Row No. 3 (Left to right)

Vijayarani, *India*. Latha, *India*. Lilly Wilson, *India*. Daria Beimart, *Russia*. Jen Dickens Reading, *Canada*. Bi Hai Xia, *China*. Dianne Elliott, *UK*. I. Mariaselvam, *India*. V. Vijayalakshmi, *India*. Srikala Devi, *India*. Joyce Muendo, *UK*. Dorothy Sieber, *UK*. Suzanne Watts, *UK*. Irina Cherepakhina, *Russia*. Karen Pabon, *USA*.

### Row No. 4 (Left to right)

Anna Victoria Augustine, *India*. Stacy McGettigan, *UK*. Joyce Oconnor, *Canada*. S. Malathi, *India*. Gladys Arooja, *India*. S. Mahalakshmi, *India*. Tatiana Sukhova, *Russia*. Tatiana Khokhlova, *Russia*. Yulia Mosolova, *Russia*. Marion Milrod, *USA*. Vaishali, *India*. Aneela Azhar, *USA*. Shalini Nair, *India*. Timea Jones, *UK*. Han Liping, *China*.

### Row No. 5 (Left to right)

Angel Yang, *USA*. Elaine Klassen, *Canada*. Linh Gigler, *Australia*. Jagadamma Neeiakandan, *India*. Monika Rudolf, *Poland*. Lisa Whitefield, *UK*. Ros Wilde, *UK*. Svetlana Schekochikhina, *Russia*. Katy Tubb, *UK*. Liz Kelly, *USA*. Ewelina Hackiewicz, *Poland*. Natalia Tikhimirova, *Russia*. Kavitha Ramarpand, *India*. Divya Damu, *India*. Penny Oliver, *India*

### Row No. 6 (Left to right)

Vincenta Owens, *USA*. Micaela Pinkerton, *Australia*. K. Sakthi, *India*. Angela Graham, *UK*. Tatiana Slozhenikina, *Russia*. Katy Barnaby, *UK*. Annekatrin Lutz, *UK*. Jane Roberts, *UK*. Indrani Ghose, *India*. Joan Howard, *USA*. Diana Wiech Jurowiec, *Poland*. Anika Singh, *India*. Jodie Carr-Northey, *UK*. Dr. Kavery Nambisan, *India*. Honor Brown, *UK*

### Row No. 7 (Left to right)

Ethyl McCoy, *USA*. Joe Anne, *India*. Annaletchmi, *India*. Maria Timoshek, *Russia*. Irina Lomakina, *Russia*. Ananta Das, *India*. Natalia Chernigina, *Russia*. Tamara Zadniprianets, *Russia*. Marina Trishina, *Russia*. Susan Rajan, *UK*. Justyna Smyk, *Poland*. Natalia Larenkova, *Russia*. Jackie Place, *UK*. Avani Davda, *India*. Dr. Mercy David, *India*

### Row No. 8 (Left to right)

Ambika, *India*. Jeyashree Muhambika, *India*. Bindu Biji, *India*. Julie Finch, *UK*. Debra Carr Northey, *UK*. Neetu Chacko, *India*. Carmen Rodgers, *UK*. Monika Konopka, *Poland*. Beckie Hardman, *UK*. Nina Alaverdova, *Russia*. Agnieszka Malinowska, *Poland*. Natalia Lorintseva, *Russia*. Mahalakshmi Mohan, *India*. Rita Mathew, *India*. Karen Johnson, *USA*

### Row No. 9 (Left to right)

Catherine Ellerington, *UK*. Janice Bishayee, *India*. Deepthi Isaac, *India*. Denise Jefferson, *UK*. Anne Harley, *USA*. Sandra Kean, *UK*. Alyson Ebbrell, *UK*. Claire Bleach, *UK*. Anastasia Zelinskaya, *Russia*. Agnieszka Kozlowska, *Poland*. Jill Stubbs, *UK*. Anna Nowrocka, *Poland*. Ishita Goel, *India*. Savita S, *India*. Petra Vaverkova, *Poland*

### Row No. 10 (Left to right)

Debbie Patillo, *USA*. Iyamma, *India*. Anna Sobocka, *Poland*. Lisa Cathpole, *UK*. Elena Volkova, *Russia*. Alisha Pickering, *UK*. Anna Vasilieva, *Russia*. Chethana R., *India*. Olga Fedosova, *Russia*. Stephanie Charles, *UK*. Anna Porowska, *Poland*. Joanna Czarnik, *Poland*. Mary Beth VanLeuvan, *USA*. Esther Chatterton, *India*. Wu Yun, *China*

### Row No. 11 (Left to right)

Annamerry, *India*. Vijayakumari, *India*. Padmini Baburajan, *India*. Elena Frolova, *Russia*. Ma Yue Jiao, *China*. Shirley Agar, *UK*. Margaret Campbell, *USA*. Tracy Ward, *UK*. Natalia Lavrova, *Russia*. Binu Josey, *India*. Alice Sunderajj, *India*. Helen Das, *India*. Ranjeeta Ray Chaudhury, *India*. Kathy Grant-Munoz, *Canada*. Hye Park, *Montvale*

### Row No. 12 (Left to right)

Claire O'Hare, *UK*. Alice Ponciano, *Canada*. Jane Welfare, *UK*. Olga Zhiteneva, *Russia*. Yvonne Hunnam, *UK*. Donich Mariem, *Russia*. Betsy George, *India*. Krupa Masoji, *India*. Mercy Kabachia, *Kenya*. Meeta Hope, *India*. Barbara Abraham, *USA*. Magi Anto, *India*. Eesha Sukhi, *India*. Sirisha Tadepalli, *India*. Geetha Rajukumar, *India*

### Row No. 13 (Left to right)

Bharathi P., *India*. Kathy Tolj, *Canada*. Satya Muniasamy, *India*. Ragina, *India*. Paulette Gabriel, *UK*. Meena Middlecoat, *India*. Inna Mandryk, *Russia*. Jalaja, *India*. Irina Koychieva, *Russia*. Asha Vincent, *India*. Adrianna Odomirok, *USA*. Marta Zawistowska - Czapl, *Poland*. Khorshed D. Bulsara, *India*. Natalia Goltsova, *Russia*. Nalini Naidu, *UK*


### Row No. 14 (Left to right)

Jacquilin, *India*. Stellamary Thirumagan, *India*. Lynell Johnson, *USA*. Anne Harley, *USA*. Muthumarie Radhakrishnan, *India*. Beena John, *India*. Olga Chistova, *Russia*. Kellie Holbrough, *UK*. D. Jeenitha Raj, *India*. Nidhi Jolly, *India*. S. Malar, *India*. Meghal Vakil, *India*. Olga Baranova, *Russia*. Nirmala P., *India*. Breda Singh, *USA*

### Row No. 15 (Left to right)

Sudipta Law, *India*. Stellamary K, *India*. J Mallika, *India*. Tang Hong Mei, *China*. Paulmani, *India*. Chanelle Clark, *USA*. Xiang Lian, *China*. Annabelle Noronha, *India*. Irina Zankovich, *Russia*. Anna Corini, *USA*. Jenny Hitchen, *UK*. Carol Hertz, *USA*. June Herzese, *USA*. Kathy Sheldon, *USA*. Anila, *India*

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# TATA GLOBAL BEVERAGES

Tata Global Beverages Limited

1 Bishop Lefroy Road, Kolkata 700 020





India









Form No. A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	Tata Global Beverages Ltd
2.	Annual financial Statements for the year ended (Standalone)	31 <sup>st</sup> March 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	 <hr/> <p>Harish Bhat Managing Director</p>  <p>K. Venkataramanan Chief Finance Officer</p> <p>For Lovelock &amp; Lewes Firm Registration No: 301056E Chartered Accountants</p>  <p>Dibyendu Majumder Partner Membership Number: 057687</p>  <p>V. Leeladhar Chairman of Audit Committee</p>	

Form No. A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	Tata Global Beverages Ltd
2.	Annual financial Statements for the year ended (Consolidated)	31 <sup>st</sup> March 2013
3.	Type of Audit observation	Matter of Emphasis
4.	Frequency of observation	It is appearing from 31st March 2012
5.	 <hr/> <p>Harish Bhat Managing Director</p>  <p>K. Venkataramanan Chief Finance Officer</p> <p>For Lovelock &amp; Lewes Firm Registration No: 301056E Chartered Accountants</p>  <p>Dibyendu Majumder Partner Membership Number: 057687</p>  <p>V. Leeladhar Chairman of Audit Committee</p>	